FBIS DAILY REPORT

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COSTA RICA'S ARIAS DISCUSSES GUATEMALA SUMMIT

PA062245 Guatemala City Radio-Television Guatemala in Spanish 1700 GMT 6 Aug 87

[News conference by Costa Rican President Oscar Arias with unidentified reporters at the Camino Real Hotel in Guatemala City -- recorded]

[Text] [Reporter] Mr President, Commander Daniel Ortega said just a few minutes ago to the press that Costa Rican territory continues to be used by his country's counterrevolutionaries [words indistinct]. We would like to [words indistinct].

[Arias] Well, I just listened to him. I heard him on the television in my room. Either President Ortega was misinformed or he said this ironically, because I think he knows better than anyone else that since I assumed power on 8 May 1986 there has been a very clear, firm, and categorical determination on my part not to let a single inch of our territory be used by any Central American to subvert governments in our region. I will not suffer, tolerate, or permit anything that will endanger the Central American governments.

If they do not trust me, they should believe those who made the investigation for the Tower Commission. I think that if they do not want to believe me, the Tower Report is a good statement that things have changed radically since I assumed the Presidency. If they do not want to believe me they should believe Oliver North, who said the Costa Rican Government ruined his plan to establish a southern front. They should also believe Mr Tambs, who said the same thing in the congressional hearing. They can believe the many people who have publicly said to the world that the Costa Rican Government has not allowed them, has tolerated nothing that could endanger the Nicaraguan Government by using a single inch of Costa Rican territory.

I just talked very frankly with President Ortega and asked him to tell (?me) that this is so. I am not two-faced and I will not allow things to be done behind my back that would be different from what I have publicly told my people and the whole world through you, the press of the whole world, that in our country we will tolerate absolutely nothing that may jeopardize our neutrality. Believe me, the day I allow a provocation against the Nicaraguan Government to be carried out from Costa Rica territory there will be internal pressures in my country and also external pressures to force us to prepare for eventual, external conflicts. I would thus be breaking one of Costa Rica's most noble traditions, namely, the unflinching decision it adopted 38 years ago to abolish the army. I would face internal pressures, and also external pressures, to reestablish the army and to purchase weapons. That is why this is a luxury we will never afford. Regarding the suit at The Hague, I asked President Ortega in Managua and he mentioned this matter a few minutes ago...[changes thought] However, it is not entirely true that it would betray the International Court of Justice at The Hague not to carry the process through and simply to withdraw the suit, simply to withdraw the suit [repeats himself]. I say this because he knows better than anyone else that I have the will and the determination not to allow our territory to be used in activities that may destabilize the Managua government.

I presented some arguments to him, and it is pity he has not commented on them here. I [words indistinct] be in Managua like many of you. Without a doubt there is much sorrow on the faces of Nicaraguans because of their difficult economy and social situation. There is poverty and there is rationing. There is hunger in many homes.

Costa Rica is a country which believes in meeting basic needs, and that is why its resources are devoted to [supplying] drinking water, electricity, schools, hospitals, education, and health. I would be very grateful if we were not forced to spend $2 million or $3 million in fees to international lawyers and if we could save this money, which is what a trial at The Hague is gong to cost, and on which a ruling will be issued a long time afterward.

Many things can happen by the time the International Court of Justice at The Hague issues its ruling. Most likely I will no longer be part of the government. I will definitely not be in government because my term of office will be up in 2 years and 7 months. I do not know if President Ortega will still be in office. But now that we have this opportunity, I think it would be very wise if the two of us [President Daniel Ortega and President Oscar Arias] were to do our best to see that the charges are dropped and that the money that we would be spending on making rich lawyers richer could be used for the urgent needs of our people. I think that in this manner I have answered your question.

[Moderator] [Words indistinct].

[Question indistinct]

[Arias] No. Costa Rica has come to serve as a bridge, to act as mediator and seek conciliation. We have come here to try and bring an awareness to the surface and not to look for differences. I think that at a meeting like this one it is important to find points of agreement and try to give you something positive and prove we can agree on many things. Of the points that make up our peace initiative, it could be that we agree on five, six, seven, or eight of those points and that we disagree on two of them. Your responsibility, then, is to stress the points on which we have agreed and not our differences. Regarding our differences, we will just wait and see how we can resolve them. We will continue to work on resolving those differences. As Rudyard Kipling said, if at first you don't succeed, try, try again. The truth is that along the path for peace we cannot accept defeat. We have come here to win. If we do not do it in the next few hours, then there is no doubt that soon -- because the Central American people are demanding it -- we will have to reach an agreement to bring peace to 25 million people who deserve this peace.

[Moderator] [Words indistinct] from La Voz de Nicaragua.

[Question indistinct]

[Arias] All those who believe in dogmas; all those who believe in an absolute truth; and those who think that anyone who does not think in the same manner is wrong. Gentlemen of the press, as you know, I am convinced -- but I may be wrong -- that peace in Central America will not be possible so long as the Central American people are not free to choose their leaders; as long as there is no authentic democracy in every Central American country.

We must call each thing by its real name. If you were to tell me today, at this moment, that it is midnight, well I would disagree because it is noon. If someone wishes to call democracy something that is not democracy, then we must stop and talk about the real meaning of democracy.

The democrat must be convinced that it is necessary to distribute, rather than concentrate, power; that there must be a real self-determination by the peoples and that the people must be really free; and the people cannot be free as long as the opposition cannot express his ideas on the streets, in the press, on the radio and television. The democrat must know that today he is in government and tomorrow he is an opposition leader. A democrat cannot think he is right and therefore everyone else is wrong and he must remain in power. That is not democracy. What do I know? We all went to law school -- my brother, [words indistinct], the foreign minister, and myself. At the university we learned the difference between administrative law and private law. At the university we learned that in the field of administrative law, all is banned except for what is allowed, whereas, in private law, everything is allowed except for what is banned. That is the big difference between a tyranny and a democracy. Democracy allows everything except what is banned, and in a totalitarian system all is banned except for what is allowed. As long as we do not reach an understanding, as long as we do not speak the same language -- that if there is no real democracy in Central America the lasting peace we all want will be very difficult to find -- then I think that we will not find the constructive dialogue for which we are all searching. Therefore, we must clarify the terms, we must define each of the points established in the Costa Rican peace proposal.

I wish to tell you that I feel we are mocking the Central American people, mocking our own people, when we hold meeting after meeting and reach no agreement. I think the time has come to do something and this is why I have appealed to rationalism, good sense, and sensibility during this meeting; that we refrain from postponing and repostponing things that we know must be done. We must go beyond words and start doing something. We must stop preaching and begin practicing what we are preaching. I want to be optimistic and I want to think that in the next few hours we will truly reach specific agreements.

[Moderator] Randi Douglas, CNN, United States.

[Douglas] [passage indistinct]

[Arias] I can answer in Spanish. [laughter] Do you want me to answer in Spanish or English? English? I will do my best.

[Moderator] [name indistinct] of CNN.

[Question indistinct]

[Arias, in English] Well, I just think it is one of many peace proposals; it is one more. As a matter of fact, as you know in the agenda for this meeting, it is exclusively the Costa Rican peace initiative.

[Moderator] [Name indistinct]

[Question indistinct]

[Arias] I always try to see things from a positive, constructive, and optimistic standpoint. Someone asked me about a boycott of the proposal against our peace initiative and I answered that I do not see this as a boycott. Let me sincerely tell you that I have heard totally different opinions.

Some think it is negative, and bad at the present moment; that it will only bring negative consequences to this meeting. Others can think -- and I include myself among those people -- that quite the contrary, it could bring positive results to this meeting.

After listening to President Ortega, I saw that he was satisfied with that proposal, because the United States is offering Nicaragua a bilateral dialogue. A sort of Manzanillo II. They do not want it to take place in that beautiful Mexican port. I propose a city or port in Costa Rica to keep this meeting in Central America.

I actually believe this proposal, to a certain extent, aims to achieve bipartisan support in the United States. The Reagan administration has yielded a little. Maybe as a result of suggestions of the Democrats. Therefore, I believe it is a positive, not negative factor. We, the five Central American presidents, at least know that there is a proposal from the United States.

Before, in previous talks I held -- as my other Central American colleagues also have had -- as my other Central American colleagues also have had -- with Mr Philip Habib, many of these things mentioned today had not been accepted. I do not know whether they are being accepted today in part to reach an agreement with U.S. Democrats. I do not know; all this is speculation.

However, the truth is -- from my viewpoint -- I believe it is better for the five Central American presidents to know what Washington plans to do; what its demands are or [words indistinct] to achieve peace that they think....

FOREIGN MINISTERS SUPPORT GUATEMALA ACCORD

PY101432 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 10 Aug 87

[Text] The eight foreign ministers of the Contadora Group and the Contadora Support Group met yesterday in Sao Paulo and decided to grant their full and unrestricted support to the 7 August agreement signed in Guatemala by five Central American presidents seeking to reestablish peace in the region. The U.S. proposal, unveiled on 5 August which demanded further concessions from Nicaragua, was not discussed by the foreign ministers.

CASTRO, ORTEGA ISSUE JOINT COMMUNIQUE

FL131905 Havana Radio Reloj Network in Spanish 1832 GMT 13 Aug 87

[Excerpt] [Passage omitted] Presidents Fidel Castro and Daniel Ortega of Nicaragua, respectively, have issued a joint declaration stating that the enormous efforts made for years by the Contadora and Support Groups contributed to the signing of the Guatemala Agreement by the president of the five Central American countries.

Cuba expressed to Nicaragua its full support for its policy of seeking peace in the region and reiterated its willingness to cooperate, to the extent possible, to guarantee the success of that policy.

During the exchange of opinions, the presidents reached the conclusion that the achievement of a regional agreement on an end to all foreign military presence in the countries of the region would be an important contribution to peace.

The document states that both Cuba and Nicaragua are aware of the great obstacles that must still be overcome to achieve the goals proposed in the Guatemala Agreement, but feel that there are real possibilities of achieving a lasting peace.

In the course of the meeting between Fidel and Daniel Ortega, the Cuban delegation expressed its profound admiration for the heroic struggle the Nicaraguan people are waging amid great difficulties and sacrifices caused by the persistent aggressive U.S. policy. Thanks to this tremendous effort, it has been possible to preserve the independence and most sacred rights of the Nicaraguan people, won in long years of exemplary struggle against the Somozist tyranny and foreign intervention, the declaration states.

Once again, the Nicaraguan delegation expressed its highest appreciation for Cuba's solidarity throughout these decisive years of struggle.

At the end of his visit, Daniel Ortega gave Fidel a beautiful painting by Nicaraguan artist Yelba Ubau on the occasion of our commander in chief's birthday.

Ortega Leaves

FL131520 Havana Radio Reloj Network in Spanish 1502 GMT 13 Aug 87

[Text] Commander in Chief Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba and president of the Councils of State and of Ministers, said farewell this morning at the Jose Marti International Airport of his counterpart, Nicaraguan President Daniel Ortega, who made a brief working visit to Cuba.

During a meeting between the two presidents, Cuba expressed to Nicaragua its full support for Nicaragua's policy of peace, and the two countries agreed that the independent position taken by the countries that signed the Guatemala Agreement is highly positive and unprecedented in the region's history.

Cuba and Nicaragua are both aware of the great obstacles still to be overcome to achieve the objectives proposed in the Guatemala Agreement.

During the meeting, Daniel Ortega gave Fidel a beautiful painting done by Nicaraguan painter Yelba Ubau on the occasion of his birthday.

In the meeting held in Havana last night, the presidents of Cuba and Nicaragua also discussed the matter of the continued foreign military presence in Central America. They reached the conclusion that an important contribution to peace would be the reaching of a regional agreement to end all foreign military presence in the countries of the area.

In his brief working visit to our country, President Daniel Ortega was accompanied by Minister of Foreign Relations Miguel D'Escoto, Minister of Planning Dionisio Marenco, Vice Minister of Foreign Relations Victor Hugo Tinoco, Minister of Information and First Secretary of the FSLN Department of Foreign Relations Manuel Espinoza and Second Secretary of the FSLN Department of Foreign Relations Gustavo Moreno.

REAGAN 'IGNORES' CENTRAL AMERICAN PEACE AGREEMENT

FL131545 Havana Tele-Rebelde Network in Spanish 1100 GMT 13 Aug 87

[Text] In an 18-minute televised address from the White House, U.S. President Ronald Reagan said he was the only one responsible for the Iran-contra scandal although, at the same time, he tried to minimize his blame by saying his advisers should not have isolated him from what was happening then. Reagan asked Congress for a sort of truce and said the executive and legislative branches need to restore each other's respect.

The U.S. President mentioned the Central American situation but ignored the recent agreement reached in Guatemala by the presidents of the region and confirmed that the United States will not abandon the Nicaraguan contras.

Reagan referred to possible disarmament agreements which could be reached with the Soviet Union this year and introduced the subject as a U.S. initiative although this has been a project specially sponsored by the USSR.

SPORTS DELEGATION HEAD REPORTS MISTREATMENT

FL131745 Havana Television Service in Spanish 0000 GMT 12 Aug 87

[Report on statement by Guillermo Arias, head of the delegation for Special Sports Education; date and place not given -- recorded]

[Text] Colleague Guillermo Arias, head of the delegation of Cuban sports that took part in the Special Olympics [as heard] in Indiana, has given details to this newscast of how the team members were morally attacked by stateless Cubans on their trip through Miami.

[Begin Arias recording] At around 2200... [corrects himself] 2100 or 2200, some 30 people opposed to the revolution, gathered on the ground floor of the hotel. They yelled at us that we should defect; that we should stay in the free land. There was a woman there who opened her arms and beckoned to the children to come to her. They kept this up all night, making a scandal and noise. We took every possible security measure for the protection of the children, because it was what worried us most, and we planned the whole process for a safe departure to the airport in the morning. We left at 0400. Just as the press reported, we used a decoy bus that waited for us at the main door of the hotel, while we left through the service door. However, at the time of departure, the demonstrators realized this, and the press and television, and some of the demonstrators got to us and then, because they had not achieved their purpose — that we stay there or defect -- they started yelling at us and insulting us. They called us criminals; told us to leave; that they didn't want us; that there was no reason for us to be there; and they said a number of other offensive things to the entire delegation. Two girls became very upset and had hysterics. However, during the entire time the demonstrations were underway and during this tense situation at the hotel and at the departure, the rest of the delegation, including the little girls, conducted themselves with a truly brave, revolutionary attitude, giving their all for the revolution. A Cuban woman approached a boy while we were eating and told him, for example, that we are in a Cuba that isn't free; that we are starving; that we are having difficulties that make us sad. This boy came to me and said: This woman is crazy. What is she saying? She doesn't know what Cuba is. Well, I told him not to answer her, not to provoke anything because actually she really is crazy. [end recording]

Fair Treatment Requested

FL130155 Havana Radio Rebelde Network in Spanish 1700 GMT 10 Aug 87

[Station commentary]

[Text] When one invites a neighbor to one's home, it is not so that one can hurl one's dishes at his head, but to behave politely; otherwise, one does not invite him. Anything else is inconceivable. Inconceivable as it may seem -- and putting analogies aside -- that is exactly what has happened to the Cuban sports delegation in Indianapolis. The U.S. Government is behaving offensively toward the delegation, and we blame the U.S. authorities, because no one in Cuba can be deceived into thinking these are miserable episodes organized by some anti-Castro or anti-communist committee or whatever one chooses to call them. This low-level riffraff may be the perpetrators, but they are being pulled by official, government strings.

Our country has been insulted in Indianapolis. Our athletes have been urged to defect, and they have even been given official police and immigration telephone numbers. This shameful and disgraceful outrage is unprecedented in the history of international sports and contrary to the most elementary rules of international respect and coexistence. Cuba has already denounced it, and clearly stated who would be considered responsible for our response to these actions. Cuba has said it is unworthy of hosts to allow their guests to be mistreated, and that the guests will not permit this mistreatment. In our country, we have been very respectful toward the U.S. delegations, athletic and or otherwise, that have visited us. We have admired and applauded magnificent U.S. athletes here. Our commander in chief himself has greeted and talked with many of them. This policy will never change one bit, because it earns us honor and respect. Our athletes do not deserve less respect than we extend to athletes from the United States or any other place in the world. Therefore, let us compete, but fairly, and as sportsmen. That is our desire.

NEW SALVADORAN COUNTERINSURGENCY PLAN READIED

PA120250 Havana International Service in Spanish 2300 GMT 7 Aug 87

["Our America" commentary read by Norberto Hernandez]

[Text] As with all maneuvers carried out behind people's backs and therefore doomed to failure from their very beginning, one can conclude that the counterinsurgency plan launched by the Salvadoran Government -- proposed by the Pentagon's strategists and the U.S. Administration's political advisers -- has definitely failed. Hardly anyone speaks about President Jose Napoleon Duarte's economic plan called United to Rebuild because it is ineffective.

To this, we can add the success of the latest rebel military actions -- actions that cannot be hidden -- the increased mobilization of the masses, and the effective transportation stoppages. All of this is forcing U.S. advisers and strategists to revamp the counterinsurgency plan, bearing in mind there are internal divisions within the political parties, conflicts between businessmen and officials over the government's policy, and a sordid struggle among some sectors of power to occupy the most outstanding place as an ally of the United States.

At any rate, we must take into consideration that no plan can be readjusted unless there is a substantial increase in U.S. assistance, which always points to an extension of the war. While the new counterinsurgency plan is prepared, the main concern of the U.S. advisers and of the Salvadoran Army is to try to prevent the FMLN from continuing with its strategic actions and halting the aggressive advance of the people's sectors. Inasmuch as these measures cannot be carried out without repression, new methods are implemented and therefore human rights violations have increased and despotic and criminal measures -- that the government tries to justify -- have been reinstated.

Meanwhile, it has become evident that in all these years the Christian Democrats and their leader, President Jose Napoleon Duarte, have become weaker, and they can hardly keep themselves in power through the 1988 elections. At this moment, we should also recall a warning printed in THE WASHINGTON POST shortly after the 1984 elections: There are reasons to be skeptical of Duarte. He was part of the government when the death squads launched a wave of violence, and there are some people who claim that his greed for power surpasses other important issues. Despite his capabilities, Duarte has yet to prove that he can curb the forces against him. He could not do it as president of the civilian-military junta between 1980 and 1982, and there is no proof he will be able to do it now.

Three years have gone by and opposite sectors, from the extreme right to the labor unions, all agree Duarte has only further complicated the country's situation. It is quite possible that before implementing the new counterinsurgency plan in El Salvador, there will be, as on past occasions, a great propaganda campaign which will not be able to cover up the interventionist escalation demanded by the plan.

DOMINICAN REPUBLIC

PRICES OF STAPLE GOODS 'FROZEN'; MERCHANTS CRITICAL

PA131353 Paris AFP in Spanish 0336 GMT 13 Aug 87

[Text] Santo Domingo, 12 Aug (AFP) -- The Dominican Government today decided to "freeze" the prices of 31 staple items "to combat inflation," Industry and Commerce Minister Roberto Martinez announced.

The authorities thus responded to the longtime and growing demand of labor union and popular organizations to control the rising cost of living, which so far this year is over 20 percent, according to official estimates.

A general strike called by the labor unions was held on 28 July to demand a general salary increase and a reduction and freeze of staple products prices.

The list of 31 products is almost entirely comprised of food used on a daily basis and of some construction materials that, because of the large number of public construction projects, have begun running out and whose prices are increasing.

The "freeze" will be maintained indefinitely, but it will be reviewed periodically, according to the Industry and Commerce Ministry decision.

The establishment of prices was based on consultations over producers' costs. These consultations began at the end of May, Martinez said.

In an early reaction, wholesale and retail merchants in Santo Domingo criticized the official measure, alleging it leaves out important products such as rice. They described it as a "mere publicity trick."

HAITI

CATH SENDS CRITICAL LETTER TO APOSTOLIC DELEGATE

FL132259 Port-au-Prince Radio Lumiere Network in Creole 1330 GMT 13 Aug 87

[An open letter to Apostolic Nuncio Mgsr Paolo Romeo, Pope John Paul II's representative in Haiti, from CATH, the Autonomous Central of Haitian Workers -- date of letter not given.]

[Text] Monsignor: Only circumstances such as these could make us write you. For a long time your name has been mentioned in connection with all the underhanded dealings by Macoutes against the people. We were not at all surprised to see you at the farce the men in olive-green staged at the military academy on 17 July 1987.

Monsignor, the Apostolic Nuncio, we remember that when the last meeting was held in Puebla, Mexico, the Latin American Church decided to disavow the reactionary theology oppressing the Latin American people and to replace it with Christ's liberation theology, which is to the advantage of the poor. Since we knew that the church's conservative sector would never agree with liberation theology, we are not surprised if you do not agree with it either. That is why you always take the side of the Macoutes.

Monsignor, the Apostolic Nuncio, this time you have done things too blatently. Whereas ever since 7 February 1986 the church's faithful have been denouncing all macoute priests and bishops -- such as Father Sicot, Father (Athis), Father (Tombo), and many others who are in the habit of saying mass while wearing pistols under their cassocks -- you have never said anything about this.

The Autonomous Central of Haitian Workers [CATH] asks: Why is it that you attack Father Aristide and the progressive sector of the church, who always take the side of the poor? This business of Father Aristide has made us see clearly that the Vatican, the Macoutes in the church, and the macoute Army, are doing some serious plotting against God's little people. Furthermore, the Jean-Rabel massacre has already given us a good example of what the macoute sector of the church is preparing for the people. That plot has only one goal: to massacre the people, together with everyone who is defending it. That is why Father Aristide has been sent into the midst of a macoute enclave -- Croix-des-Missions, very near to Santo 9 [the site of the news conference held to announce the formation of the now dissolved Duvalierist political party, Assembly for National Agreement], a bastion of Duvalier's biggest, most notorious Macoutes.

We of the CATH say: Father Aristide is not going anywhere at all. You can forget this business of sending him out to Croix-des-Missions before sending him to Rome. We salute you, and we inform you that your name is already on the list of people largely reponsible for the misfortunes of the Haitian people.

STUDENT GROUP HAILS SECTORS SUPPORTING BOYCOTT

FL132150 Port-au-Prince Radio Lumiere Network in Creole 1330 GMT 13 Aug 87

[Excerpts] Today Student Affairs [ZEL] salutes all sectors of the population which supported the boycott by baccalaureate exam candidates nationwide, for this has been a big victory of the students and the entire Haitian People over the fascist, macoute government that has been running the country for over 30 years. ZEL thanks the neighborhood committees, workers, merchants, and all other patriots who agreed to these sacrifices to permit the struggle to progress. [passage omitted]

ZEL continues: Today, while declaring the lifting of the strike, our position remains unchanged. We will remain mobilized until we have attained the final victory. We will take the baccalaureate exams when there is a government in power which does not kill people without a trial and when there are leaders and ministers who do not violate the people's Constitution of 1987. So, the exam will be held when a National Government Council which has the people's confidence takes control of the nation's affairs.

ZEL asks all concerned to take the necessary measures to declare the baccalaureate document obtained in conditions honest citizens have noted, to be worthless. We ask the autonomous university to publicly state its position with respect to this immoral public scandal. [passage omitted]

Demonstrations in Gonaives

FL132239 Port-au-Prince Radio Lumiere Network in Creole 1330 GMT 13 Aug 87

[By Belfont Aristide, from Gonaives; live or recorded]

[Text] Not only the students had problems on Tuesday afternoon when they reported for the baccalaureate exam; the people in charge of the test centers were also subjected to heavy, direct pressure. Consequently, Inspector Rigaud Saint Pierre and Director Robert Philippe left for Port-au-Prince and had not yet returned yesterday morning. This is one of the reasons the baccalaureate exam was aborted yesterday in Gonaives.

Yesterday morning, in front of Lycee Fabre Geffrard, the principal test center, there were many students among the demonstrators protesting against the exam. They even had whips in their hands to use on any student who might dare to enter the classrooms to take the exam. We believe those same whips were meant for us too, because they came all the way to our house and demonstrated with whips in hand. There must have been some 80 students, mixed in with bystanders. It was as if they wanted to whip is, too. they were singing lyrics to the effect that it was our news reports that were responsible for the students going to the test centers in Gonaives to take the exam because they do not like the way we report the news.

We understand this. Anyone with any sense who lives in Gonaives can easily see where those little problems that exist come from, can pinpoint their source.

We have only one thing to say: Pressure or no pressure, we are going to do our job honestly in the eyes of God. We are not going to take advantage of circumstances to seek a way to bluff the people so we can ensure our place in its midst: That would be demeaning. We must not forget the facts. The facts exist.

For the time being, our work is really difficult, but we must have the courage to tell the people the truth, so we can help it find the road to democaracy and freedom, so it will not be forced to lament tomorrow. And we are not going to sell out to anyone at all. Someday everyone will be able to understand this.

As regards Gonaives, all bridges have been damaged, and many streets in town have been obstructed. Commercial activity was paralyzed all day yesterday. All public offices were closed. Only the public transportation system was the least bit operative.

There was no peace on Tuesday night. There was shooting all over the place. The demonstrators had been exerting pressure since the morning. There were tires burning in several parts of town. The demonstrators were circulating in town, chanting "Down with the CNG [National Council of Government]; Down with the baccalaureate exam!".

They were pressuring the military. Everywhere the demonstrators passed, they were dispersed by the military's loud firing. The demonstrators, in turn, to make the military aware of their strength, were armed and fired everywhere they went in town.

Gonaives has been terrible for the past 3 days. Everyone has had to remain alert, regardless of how they felt. Three persons have been hospitalized with bullet wounds. They were hit yesterday. There is a boy whose wrist was shattered by a bullet, another who was shot in the foot but not seriously wounded, and a woman who was shot in the shoulder. She was in the hospital having surgery, and we don't know her condition. That is why we ask the military to continue to stay very cool; and we ask the armed civilians to be careful when they shoot, because human life is dear. There is no point in people being killed, especially under these circumstances.

There was one incident that made everyone laugh: the demonstrators were throwing rocks at the military to harass them. The military then started throwing rocks back at the demonstrators, in order to get away.

Prefect Serge Brutus told us he canceled the exam, because the situation yesterday looked to him like it might lead to bloodshed. He said students could be protected as long as they were at the test centers, but when they left the centers to go home -- since they did not all live in the same area -- security could not be provided for them. On Tuesday afternoon, some girls were badly beaten by demonstrators. So Brutus was obliged to stop the exam because he expected bloodshed and was afraid someone might even be killed.

The Director returned from Port-au-Prince yesterday afternoon in a helicopter to continue the exam. But according to the prefect, because of the situation, he had to make them return to Port-au-Prince in the same helicopter with the tests.

FMLN ISSUES COMMUNIQUE ON GUATEMALA SUMMIT

PA120116 (Clandestine) Radio Venceremos in Spanish to El Salvador 2300 GMT 11 Aug 87

[Communique issued by the FMLN General Command; date, place not given]

[Text] The FMLN General Command states the following regarding the recent meeting of Central American presidents in Guatemala:

1. We have always looked positively upon efforts to reach a just and lasting peace in our region.

2. The agreement reached in Guatemala constitutes a political victory for the people's Sandinist revolution because it involves recognition of its legitimacy, which entails recognition of the Nicaraguan people's right to self-determination and, more specifically, their right to carry out a people's democratic revolution the way our peoples want it. For 8 years Reagan and his puppets have unsuccessfully tried to overthrow the people's Sandinist revolution, imposing on the heroic Nicaraguan people great sacrifices, destruction, and death.

Even though the Guatemala agreement itself is not able to stop the mercenary aggression, it is unquestionably a political defeat for the arrogant and interventionist policy of the incumbent U.S. Administration and a setback that weakens its immediate plans to obtain renewal of the financing for the contras from Congress.

3. The Guatemala agreement is a logical result of the deep weakening of the Reagan's policy in Central America because the Nicaraguan people have strategically defeated the Somozist mercenaries, and the revolutionary process headed by the FMLN in El Salvador has not been halted despite the $3 billion invested by the United States for this purpose throughout 7 years of counterinsurgency operations.

Consequently, Reagan's two leading puppet forces in the region -- Napolean Duarte's government and the Somozist mercenaries -- suffered a radical attrition and can no longer survive. The pecples of Nicaragua and El Salvador, their sacrifices and their blood are, therefore, the leading achievers of this important result.

4. Napolean Duarte found himself forced to sign this agreement because of the profound political and military weakness of his government. The country is wracked by the worst economic, political, and social crisis in its history with widespread and growing popular discontent. Thus, at the time of his greatest weakness, Duarte naively seeks, with a simple diplomatic maneuver, to isolate and to defeat the FMLN, something that has not been achieved and will never be achieved by his troops, his political machinations, and the huge U.S. economic, military, and political support.

5. The Duarte administration does not have the capacity to move forward with a true process of national democratization. It has been unable to solve the current labor conflicts and control the Army, perpetrator of the killing of over 60,000 compatriots and mass violations of human rights.

It has seriously violated the nation's sovereignty, democracy, self-determination, and peace, thus requiring the formation of a government of national consensus in El Salvador.

6. The FMLN is a movement with national roots, a rearguard inside the country, and a huge following among the masses -- a fact that even our enemy recognizes -- and a political platform of its own, which clearly points to the existence of a duality of political and military powers in El Salvador.

Our forces depend on the people and we do not feel (?alluded to) or dependent on foreign support. We insist: the essence of the FMLN's power lies in the people's support and incorporation. It represents the people's interests and here lies the guarantee of its unstoppable advance toward victory, whereas the Nicaraguan counterrevolution is a tool created by the Reagan administration to attack the people and to destabilize the revolution in Nicaragua. It has its rearguard in Honduras; created, financed, and administered by the U.S. Government against the will of the Honduran people and cannot exist without foreign support. Here lies its weakness and its certain, final defeat. Consequently, to pretend there is a similarity or parallel between the FMLN and the Nicaraguan counterrevolution is absolutely contrary to reality and totally unacceptable.

7. The main causes of the Central American conflict are the profound social injustices and the imperialist intervention of the United States, which has imposed mercenary U.S. military bases that directly attack Nicaragua and that support a puppet government and a genocidal and counterinsurgency war against the people of El Salvador. As long as the imperialist aggressions persist, our peoples will need to struggle until the total defeat of such aggression, because otherwise there will be no real, just, or lasting peace. All the efforts by Nicaragua to defeat the contras, and the struggle of the Salvadoran people and the rest of the fraternal peoples are the fundamental factors to conquer peace and they must, therefore, redouble their efforts. The Guatemala agreement will not serve to achieve peace, if the U.S. intervention and the aggression do not cease in Central America. The Reagan administration is really on the spot now, and, after learning of the presidents' agreement, it said it would continue to support the contras, and the contras chieftains have declared that they are going to continue with the aggression. For this reason, anybody who supports the Guatemala agreement is obliged to demand from the U.S. Government the immediate cessation of its intervention and aggression in Central America. This is the minimum amount of realism and moral and political responsibility needed today if there is to be an effective search for peace in our region.

To demand peace without at the same time demanding a stop to U.S. intervention and aggression is tantamount to demanding that the people put up with submission, humiliation, and sacrifice to the empire.

8. The FMLN feels that the Guatemala agreement establishes a general favorable framework for the continuation of dialogue in our country. It must be recalled that the dialogue between the FDR-FMLN and the government was started in La Palma in October 1984 and was continued in Ayaguales in December of that same year. On both occasions, commitments were made to continue the dialogue without prior conditions.

Those agreements were later violated and put aside by Duarte. Afterward, the FMLN carried out actions that forced the government to hold meetings during which important agreements were made, such as the one allowing the evacuation of war handicapped.

Several UN General Assembly and Nonaligned Movement resolutions as well as declarations issued by governments and political groups recognized and supported the dialogue started in El Salvador between the FDR-FMLN and the government, and they have continuously urged its reactivation. Everyone knows that the Duarte government is responsible for interrupting the dialogue. This dialogue, already started, must continue on the basis of the same agreements that guided it and won for it national and international recognition and support. In this regard we express our willingness to immediately hold meetings with the Jose Napoleon Duarte government either at home or abroad, in public or in private, with a view toward discussing themes such as stopping foreign logistical support to both parties, a cease-fire agreement, and negotiation of at least the 18 points for the humanization and the reduction of the economic, political and social impact of the war, which we proposed at the end of May and to which we have not had an official answer. We shall soon submit to the government a concrete proposal to speed the reinitiation of the dialogue.

9. It is irrational to use the Guatemala agreement -- as Duarte is already doing -- as a pretext to set conditions and avoid dialogue. That agreement is inspired by the search for peace and does not contradict the need to search for peace within the characteristics of each country, because [words indistinct].

We have not yet seen Duarte's will for dialogue and good faith materialize in practice. He has not given an answer to our 18 points; he has, on the contrary, continued civilian bombing, disappearances, kidnappings, and murders. He answers workers' demands with antiriot squads; he orders military units to take hospitals and trade union headquarters and to place bombs in humanitarian organizations' offices; he maintains forced recruitment; he forces the workers to finance the war by imposing starvation salaries, refusing the most minimal concessions, and repressing the workers. He maintains and utilizes a judicial system that persecutes and throws in jail [passage indistinct] those who killed Msgr Romero and those militarymen who have carried out untold massacres and crimes against the people.

10. The FMLN denounces to the world that the Duarte government has asked Reagan to send more and better helicopters, airplanes, bombs, rockets, infantry weapons; and millions more dollars. Reagan has promised to give all this and he has also ordered additional maneuvers on both sides of the Salvadoran-Honduran border. U.S., Honduran, and Salvadoran troops will participate in the maneuvers. This way Reagan seeks to boycott the search for peace in Central America, urging the Honduran Army to become involved in the war against the FMLN, and manipulating the government and the Salvadoran Armed Forces High command.

11. We urge all our people to demand that Duarte grant a general amnesty for all political and labor prisoners and missing people; to demand respect for the workers' freedom and right to organize and safeguard their own interests; to demand a stop to repression and murders; and to demand that he renew the dialogue with the FDR-FMLN.

We urge all Salvadoran people to step up their political, labor, and armed struggle. We urge them to join and step up the people's revolutionary war as long as the situation does not change, and as long as a political solution that brings a just and sovereign peace is not adopted through dialogue or negotiation. We urge all our people and fighters to resist and defeat the stepped up counterinsurgency war being imposed by Reagan in our country. We urge them to continue onward and thus open the road toward peace.

12. Likewise, the FMLN also issues an appeal to the leaders of Latin America and the world; to all the governments, political forces, and international organizations that advocate peace, so they can understand the real situation prevailing in our country, and to exert pressure on the U.S. Government so it ceases its policy and warmongering presence in El Salvador, and to exert pressure on the Duarte Government so it accepts the renewal of the process of dialogue and negotiation, and maintains its participation until we reach the agreements that will achieve the just peace that the Salvadoran people hope for, demand, and deserve.

General Command of the FMLN.

UNTS SEES DIFFICULTY IN COMPLIANCE WITH PEACE PLAN

PA111725 (Clandestine) Radio Venceremos in Spanish to El Salvador 2300 GMT 10 Aug 87

[Text] Regarding the peace agreements for Central America, which Salvadoran President Jose Napoleon Duarte signed in Guatemala, the Salvadoran working class has issued an important statement. The leaders of the National Unity of Salvadoran Workers, UNTS, said again today that it will be very hard for Duarte's puppet regime to abide by the agreements made in Guatemala. This is so because one would have to see how the puppet Duarte is going to achieve reconciliation among Salvadorans. For the UNTS, one of the first steps toward the reconciliation between the workers and the regime consists in immediately expelling the so-called American Institute for Free Labor Development, an organization which [passage indistinct].

The workers [words indistinct] as well as to immediately begin a dialogue and negotiations with all workers involved in disputes. If the puppet Duarte is unable to adopt these measures, all the agreements will be mere demagogery, just so much ink on paper. The Puppet Duarte has been unable to meet the workers' demands for more than 3 years. It is very unlikely that he will now begin to give signs of finding a solution.

For the UNTS, Duarte is unable to find solutions and sit down for talks. On these matters, the UNTS said that if Duarte does not wish to talk with the workers it will be even more difficult for him to seek dialogue with the FMLN-FDR to find solutions to the crisis which all our people are facing.

DANIEL ORTEGA RETURNS FROM OFFICIAL VISIT TO CUBA

PA131855 Managua Domestic Service in Spanish 1825 GMT 13 Aug 87

[Text] Comrade President Daniel Ortega Saavedra returned to Managua at 1035 today after traveling to Havana, Cuba where he held a working meeting with Cuban President Fidel Castro.

During his brief visit to Havana, President Ortega agreed with Cuban leader Fidel Castro in describing the Guatemala agreements as positive. They also acknowledged that the efforts carried out by the Contadora and Support Groups contributed to those agreements.

The Cuban Government expressed its willingness to cooperate with Nicaragua in the success of the Guatemala agreements signed by the Central American presidents.

The Cuban and Nicaraguan presidents pointed out that an important agreement to end all foreign military presence in the countries of the region must be achieved.

President Ortega, who left for Havana on the afternoon of Thursday, 12 August, gave his counterpart a beautiful painting by Nicaraguan artist Yelba Ubau on occasion of the Cuban president's birthday today.

GOVERNMENT WITHDRAWS ICJ SUIT AGAINST COSTA RICA

PA121942 Madrid EFE in Spanish 1807 GMT 12 Aug 87

[Text] The Hague, 12 Aug (EFE) -- Today, Nicaragua formally lifted its legal process against Costa Rica at The Hague's International Court of Justice (ICJ) by withdrawing the charges it filed on 28 July 1986.

In an official communique, the ICJ, which is the highest UN judicial organ, and which is headquartered in The Hague, noted that Nicaragua does not want to continue the case, and has asked the court to proceed accordingly.

Sources close to the ICJ said that prior to Nicaragua's withdrawal of the suit, Managua had submitted a report in which it provided evidence on the facilities of the "contras" in Costa Rica.

The sources said that in this manner, Nicaragua has left the case on the record, while at the same time it has opened the doors for political negotiations to resolve the Central American crisis.

Managua had earlier announced the withdrawal of its charges against Costa Rica following the Central American "summit" in Guatemala. However, the announcement had not been formalized until now.

Sources close to the ICJ said Nicaragua had requested a suspension of the legal process, which is not included in ICJ regulations.

Nicaragua's action means the case will be filed, and therefore, its charges against Costa Rica will be lifted.

Nicaragua based its suit on actions carried out by the "contras" from Costa Rican territory and the use of that territory as a base and refuge for the anti-Sandinists.

At the same time, Nicaragua filed charges against Honduras at the ICJ, which it has not withdrawn, and which are currently being reviewed.

On 27 June 1986, the ICJ condemned the United States for its direct and indirect support of the "contras." However, Washington said the ICJ did not have jurisdiction in the case, and thus there was no U.S. representative at the hearings.

Now, the peace accord reached in Guatemala will not be affected by any action taken by the ICJ, the sentences of which can only be appealed before the UN Security Council.

The ICJ has 15 justices. Since February and for the first time, a Latin American, Colombian Jurist Eduardo Valencia-Ospina, is secretary general of the body.

U.S. ADOPTS 'DOUBLE STANDARD' ON PEACE PLAN

PA111354 Managua Radio Sandino in Spanish 1200 GMT 11 Aug 87

[Text] Washington has adopted a double standard regarding the peace plan agreed on by the Central American presidents in Guatemala. The U.S. Government has adopted a double standard regarding the peace plan approved by the Central American presidents, while the U.S. Congress is divided on the possibility of granting new aid to the contras. U.S. President Ronald Reagan hailed the agreement made by the five Central American presidents on Friday. However, his own remark to the effect that the United States will cooperate to the extent possible, considering its interests as well as those of the contras, indicates that Reagan is not prepared to abandon the old plans of resuming aid to the Somozist mercenaries. In this respect, U.S. Vice President George Bush said that his country will not leave the contras on their own because of the Guatemala agreements. He insisted on the plan introduced by President Reagan, which the Central American presidents ignored.

The following report, datelined in Washington, is from San Jose, Costa Rica [sentence as heard]. U.S. President Reagan and Secretary of State George Shultz said they hoped that the agreements reached by the Central American presidents become a reality. This was expressed in two notes sent to the Costa Rican Government, as was officially reported yesterday in San Jose. Reagan sent a message to Costa Rican President Oscar Arias Sanchez; and Secretary of State Shultz sent a message to Costa Rican Foreign Minister Rodrigo Madrigal Nieto.

Madrigal Nieto said that in the letters the United States conveys its hope that the pacts made in the Guatemalan summit achieve positive results. The Costa Rican foreign minister said that the U.S. Administration's support for the plan is not unconditional.

U.S. Democrats state that asking for more aid for the contras does not make sense. Republican and Democratic congressmen are making contradictory remarks on the peace agreement reached by the Central American presidents and the upcoming request for further aid to the contras. Most Republicans urge Reagan to maintain his request for $150 million for the next 18 months, so as to keep that money in reserve while the negotiations in Central America continue. The Democratic bloc indicates that it makes no sense to think of aiding the contras while a peace agreement is being formulated in Central America.

'UNIDENTIFIED AIRCRAFT' OVERFLIES CHINANDEGA 9 AUG

PA101957 Paris AFP in Spanish 1920 GMT 10 Aug 87

[Text] Managua, 10 Aug (AFP) -- Members of the Sandinist antiaircraft defense forces opened fire Sunday night on an unidentified plane which flew over Chinandega, 110 km northwest of Managua, the government's radio station Voz de Nicaragua reported today.

According to the staton, EPS units began firing their antiaircraft battery when they detected an unidentified aircraft that later "went into Honduran territory." The incident took place at approximately 1900 Sunday (0000 GMT).

According to sources in the area, the plane entered Nicaraguan territory through Potosi, a port in northwestern Nicaragua on the Gulf of Fonseca, and flew over several towns of Region 2, and including Chinandega Leon Departments.

Meanwhile, on Monday the Defense Ministry in Managua did not have any further details on the incident.

Defense Ministry Comments

PA111617 Managua Radio Sandino in Spanish 1200 GMT 11 Aug 87

[Text] An unidentified plane flew over Chinandega on Sunday night, the Defense Ministry has reported. Sandinist antiaircraft units opened fire immediately after the plane was detected. It was flying at an altitude of some 5,000 to 6,000 feet.

Area residents said the plane turned off its lights during the alert that took place at approximately 1900. Because of its altitude, it is unknown if the plane was hit by antiaircraft fire. The plane reportedly flew toward the port of Corinto, but it was not detected in that area.

Nicaragua borders Honduras and El Salvador in the Gulf of Fonseca area; that region has been used in the past by the CIA to the supply Somozist counterrevolutionaries.

CONTRAS CLAIM SANDINIST MI-17 HELICOPTER DOWNING

PA130246 Panama City ACAN in Spanish 0132 GMT 13 Aug 87

[Text] Tegucigalpa, 12 Aug (ACAN-EFE) -- The Nicaraguan "contras" reported here today that on 8 August they downed another Sandinist Soviet-made "MI-17" helicopter.

Through their press office in Tegucigalpa, the rebels claimed the aircraft was downed by a "Redeye" missile south of the region of El Almendro, 20 km west of Nueva Guinea, Rio San Juan Department.

The anti-Sandinists said they do not know the crew's fate, because the aircraft fell in an area characterized by constant fighting between the Nicaraguan resistance commands and the Sandinist forces.

According to the "contras," two "MI-17" helicopters have been downed in August plus a total of 15 helicopters from 1986 to 1987, including several "MI-24s."

For their part, the Sandinists reported recently that on 22 July they downed a "contra" helicopter, which reportedly fell in Honduras. This report was confirmed to ACAN-EFE by a spokesman for the rebels in Tegucigalpa.

On Monday, a Sandinist military source reported that on Sunday, the Army fired on an aircraft supposedly belonging to the rebels in the sector of Chinandega, and that the aircraft had fallen in Honduras.

In Honduras, 6th Infantry Battalion Commander Lieutenant Colonel Osiris O'Connor, told ACAN-EFE he had no knowledge of a plane coming from Nicaraguan territory falling in Honduran territory. The 6th Battalion is located in the eastern El Paraiso Department on the Nicaraguan border.

BORGE ON 'SOLIDARITY,' REFUGEES, CENSORSHIP

PA060137 Havana International Service in Spanish 2300 GMT 1 Aug 87

[Report on interview with Interior Minister Tomas Borge by Alberto Martinez in Managua; date not given -- passages within quotation marks recorded]

[Text] In my recent visit to Nicaragua, I talked to Nicaraguan Interior Minister Tomas Borge, who talked about important aspects of Nicaraguan life. The Sandinist leader talked about the topic of international solidarity with Nicaragua.

[Borge] "We have many problems. We certainly need resources, even oil. We have been trying to resolve the oil problem, but I can say in general that the solidarity of socialist countries has been proven."

Interior Minister Borge demonstrated with statistics that the number of arrested people is very low in his country, despite the war situation.

[Borge] "There are approximately 8,800 prisoners in Nicaragua, according to the latest reports. Most of them have been arrested because of common crimes. A small percentage of them has been arrested because of counterrevolutionary crimes. During my visit to socialist countries, I saw there were some 800 crimes for every 100,000 people. In the United States there are 15,000 crimes for every 100,000 people. In Nicaragua there are approximately 600 crimes for every 100,000 people, which is a very small percentage compared to that of the United States."

Commander of the Revolution Tomas Borge talked about the care for the refugees in Nicaragua and the respect for their rights.

[Borge] "We have used all legal procedures employed by international organizations to regulate the support, rights, and duties of refugees. We have supported all legal procedures of the United Nations implemented through the UNHCR [UN High Commissioner for Refugees], with whom we have held many meetings. We have promised them Nicaragua would give all its support to refugees and to the work done by the UNHCR. I believe it is the fundamental obligation of every country to support refugees. We have heard about the mistreatment of Salvadoran refugees in other countries. We have also heard about the problems of the UNHCR in some countries. I can proudly say that every time they have spoken to us they have recognized the job Nicaragua has done with refugees."

Interior Minister Borge clarified the measures taken so the news media can respond to the people's interests in the middle of the imperialist aggression against Nicaragua.

[Borge] "Well, there is press censorship. LA PRENSA and Radio Catolica have been closed down. That is what has happened. Literary works have not been censored. Fortunately no novel or book has been censored in this country. I believe LA PRENSA was closed down because of national dignity. It was not closed down because of what they said but because of what it meant. They did not hurt us with their propaganda. It was closed down because of dignity. It was not possible for a newspaper to publish more support for the U.S. Government than any newspaper in the United States itself. We were ashamed of this. Radio Catolica was closed down for other reasons. They violated the law constantly. They were asked to join national networks and they refused to do so. They broadcast things specifically forbidden by law. They defied us and at one point it seemed there were two governments: one in the government's house and the other in Santo Domingo, and that was not possible. There is only one government here, and everyone has to comply with the law. They refused to abide by the law, so we said: This is enough, we govern the country and that is that."

NORIEGA ON MILITARY HISTORY, ROLE, FUTURE

PA121911 Panama City Domestic Service in Spanish 1627 GMT 12 Aug 87

[Speech by General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces, at Fort Cimarron, Panama City -- live]

[Text] Mr President of the Republic, Eric Arturo Delvalle, and Mrs Mariela Diaz de Delvalle; your excellencies, ministers of state; your excellencies, members of the Honorable Supreme Court of Justice, the true juridical power of Panama [applause]; your excellencies, members of the Electoral Tribunal of Panama, formed according to the Constitution [applause]; honorable and distinguished members of the National Assembly, the legistlative power elected according to the Constitution and by the people [applause]; distinguished friends, Latin American brother military men accredited here in Panama and who today honor us with their presence and their wives' presence [applause]; distinguished ambassadors especially invited due to their military ranks and hierarchy who honor us here and who are the brothers from Guatemala and Honduras [applause]; Mr General, chairman of the association of military attaches from the sister Republic of Mexico [applause]; distinguished sisters from ASEFUDEP [Association of Wives of Panama Defense Forces Members] [applause]; and we also welcome the foreign press. [applause]

Let us hope, let us hope [repeats himself] that now they will not continue to misinform. [applause, cheers] Let us hope, let us hope [repeats himself] they will respect Panama [applause, cheers]. I would like to see them in Chile, with my Gernal Pinochet, to see what would happen to them. [cheers applause] I would like to see them in Paraguay, with my General Stroessner, to see what would happen to them. [applause, cheers] I would like to see them in Cuba to see if Fidel Castro would let them enter. [applause, cheers] Gentlemen, respect us, respect us [repeats himself] we are not a tribe. [applause]

Here is Lucia Newman [CNN reporter], there she is [Noriega points at her]. Misinformer! [crowd jeers and shouts "go away"]

But thou, O Lord, art a shield for me; my glory, and the lifter up of mine head. I cried unto the Lord with my voice, and he heard me out of his holy will. Psalms 3:3. [applause]

Battalion 2000, 5th Military Zone, Paz Battalion, 4th Cebaco Battalion, 1st Infantry Company, 2d Infantry Company, 3d Infantry Company, 4th Infantry Company, 7th Infantry Company, Engineers' Battalion, Military Health Battalion, Pnajungla, Rufino Alfaro School, Panamanian Air Force, National Navy, Police Force, Immigration Department, National Departmen of Investigations, 6th Military Zone, 2d Military Zone, 2d Military Zone, 4th Military Zone, 6th Military Zone [as heard], 8th Military Zone, 9th Military Zone, 10th Military Zone, 11th Military Zone, 12th Military Zone, Acuario Platoon, Traffic and Transportation, Cavalry Squadron, [after each call, the respective group answers "present"]; Omar Torrijos Herrera [everyone shouts "present"] [applause].

I also welcome my great friend and representative of Panama's native roots, Kuna Yala Chief Kawigdi [applause]:

From the book "Open Views of Latin America" I have picked one line at random. History is a prophet looking backward, who, because of what happened and despite what happened, predicts what will happen. This is Panama's history in its consolidation as a free and independent country and in its search for its own identity and destiny. From the outset, as a sovereign state, the country was traumatized by the interventions and humiliations of a foreign power. We must recall that 1 year after our separation [from Colombia] in 1904, General Esteban Huertas was sent to Europe with the excuse of making vitally important studies for the national army. It was a U.S. Government strategy that sought to avoid an organized Army in Panama. The government at that time followed orders and dissolved that army. All members of it were named as part of the new national police, by decree No 23 of 21 March, which sent Huertas home as a pensioner. At that precise moment, a historical phenomenon took place, transforming an Army into a police force, and thus lost were memories; the mysticism of its glories; and the triumphs and sorrows of the dead in Pichincha, Junin, Ayacucho, Colombia's eight general civil wars, the four local civil wars, the two international wars, and the 1,000 Days War. We were then faced with whistle and nightstick police force; they were slovenly, unattended, and ignorant, and at the order of the native aristocracy of the time and of a foreign army that had already imposed its conditions in accord with its own particular interpretation of one clause of the Hay-Buneau Varilla Treaty.

In 1915 a new reform in the police took place. Because of demands made, President Belisario Porras handed over all heavy weapons, leaving the Panamanian police with a certain number of revolvers for their own use. In 1919, and for the next 2 years, foreign forces militarily occupied Chiriqui Province claiming land problems affected its citizens there.

The foreign hand was felt once more in 1925, when the Kuna uprising took place, which claimed the lives of 12 policemen. That same year foreign troops entered the isthmian capital by fire and sword, setting up their headquarters in Santa Ana Park to establish order and quell the rebellion staged by the tenants.

The problems and the meddlings also generated a search for professionalism, and Colonel Manuel Pino Rafael appeared on the scene. He restructured the police force for the purpose of raising it from its second class status. Colonel Jose Antonio Remon Cantera picked-up the generational struggle and moved the police to new changes, both in form and substance. He transformed the old National Police into the National Guard, he did this as a historical adjustment to the needs of time and the Central American and Caribbean situations. This was done precisely 24 years ago today during his speech to the nation Remon used the following expression: We do not want millions or alms, we want justice! [applause]

These are the great divine signs that indicate that we are not mistaken. Twenty-four years ago Remon Cantera led the people and he did not ask for millions nor alms; he asked for justice. This reinforces the National Guard's nationalistic spirit under the command of Colonel Bolivar Vallarino, who again had to assume a historical responsibility in 1964 before the 21 martyrs who were sacrificed in search of Panama's territorial sovereignty.

The degrading and disrespectful social circumstances of human dignity, a vengeful policy, together with a dependent and centralized economic situation, forced the military men to seize the country's leadership in 1968. Immediately following this, Panama was subjected to military and economic sanctions that forced Colonel Boris Martinezto to seek technology and Colonel Omar Torrijos to seek economic and technological solution in countries removed from the continent's power.

On 16 December 1969, once again the alliance of the displaced Panamanian oligarchy, with foreign advice -- what a coincidence this is also the case today -- and with gifts and offers of leadership positions to confused militarymen, tried to break the monolithic unity and the concept of military unity of our institution.

Since the consolidation and beginning of Torrijism on 16 December 1969, we Panamanian military men have been direct witnesses and have personally experienced the difficult and arduous struggle of the majority of the people to achieve the liberation of the Canal Zone enclave. In those times also, every patriotic and honorable proposal for some national demand was first answered with a flat refusal and afterward would come the direct threats, slanders, intrigues, and the campaigns to personally discredit the Panamanian civilian or military leaders who dared to demand respect for the national dignity and independence.

That was the pattern of behavior used against any Panamanian patriot and it continues to be the pattern even after the Torrijos-Carter Treaties. The ultraconservative groups are resisting the obligation to turn over the canal to Panama at noon on 31 December 1999. They continue to win followers for their organizations and to become the material pillars of the plot in their campaign of defamation and slander which only seeks to prevent Panamanians from receiving their canal, their territory, and airspace. [applause]

These are the same confused U.S. civilians who take their armies and armed forces to international conflicts, who prevent talks with friendly forces, who prevent coordination with friendly forces, who ignore the support of friendly forces, because the civilian establishment, due to its selfish interests, prevails over the region's geopolitical reality. Those are the same ones who oppose peace in Central America. Those are the same ones who want the continuation of the bloodbath. They should know, however, that slanders, offenses, attacks, and pressures have been unable to so much as scratch the solid wall built by the determination and discipline of the members of the Defense Forces, who are priceless. [applause]

Gentlemen, when a small-time big shot who leeched off of Torrijos for 16 years barefacedly invited two colonels of the Defense Forces to talk in his meeting to plan a coup d'etat, he received a slap in the face and was told: You have leeched off Torrijos and you are resentful because you want to continue to leech these Defense Forces. That man lives in Miami. That man lives in Washington. [applause] And that man is using the money of the subversion against Panama. That man boasts of having gotten the U.S. Congress to sanction Panama. Mr Attorney General, that man has to be hauled into court! That man's name is Garbriel Lewis Galindo! [applause]

Gabriel Lewis Galindo boasts of having obtained Congressional approval of sanctions against Panama, sanctions against these people of San Miguelito, sanctions against the Panamanian misery. That man, Mr Attorney General, has to go to jail! [applause]

They have not been able to infiltrate us because we are not the ambitious men of the past. Those who have reached this level and this rung were not handpicked. The members of the General Staff were not imposed by economic, political or social powers. These men rose from the ranks of the academies as a result of their leadership development and their military capacity.

In our replacement by the next generation -- as Colonel Castillo said -- by the military and with the military, let it be known [applause] there are no conditions. In our replacement by the next generation with these groups, in this place, with this people, we will leave them the only flag that we have, and that is the Panamanian flag. [applause, cheers] We will turn that flag over to the replacement, the military leader who by then will be trained and will not have jello for a spine. [applause]

The time is proper to greet the many comrades-in-arms who, after having helped outline the evolution of the institution, have retired and are here with us. [applause] They deserve public recognition by our troops, they deserve admiration and love. A very special mention in today's ceremonies for the active Association of Reserves, and our guests: Colonel Contreras, Colonel Cecilio Fischer, president of the Association of Reserves; Colonel Arauz, Colonel Segura, Colonel Bellido; and also that reserve officer who is the life-long president of these troops, president for life in our hearts, and that man's name is [former president of the Republic] Demetrio Basilio Lakas, who is here. [after each name is mentioned, there is a round of applause].

Today, we also recognize that gentlemen, Colonel Florencio Flores, whom we greet from this stand, with the same admiration and respect we always had for him as well as for his subordinate. [applause] We also greet Colonel Bolivar Vallarino; we also remember him [word indistinct] when we left to study and improve based on his very professional policy. [applause]

The time is proper to voice appreciation for the solidarity from Latin America and the world in its civilized hierarchy with the Defense Forces as the developmental step of a military world that understands it is the true people in uniform. [sentence as heard] Because of the human misery we have, as a victim of a society in crisis, we would like to join all who want a change. [sentence as heard]. This would be a change without false prophets [applause]; a change without discriminating against blacks [applause]; a change without discriminating against Indians [applause]; a change without discriminating against mulattos, without discriminating against whites, without discriminating against the Chinese, and without discriminating against the Jews. [applause, cheers]

We want a change, we want a change, and we support that change. [applause] We are going to lead that change, because we will be at the head of the change. [applause, cheers] Let it be recorded here, we want a change, but that change must include CONATO [National Council of Organized Workers], COPP [Council of Panamanian People's Organization], the Peasant Land Settlements. [applause, cheers of "Viva General Noriega"] The change must also include small and medium enterprises.

We want a change to enhance security for capital and investment. We want a change without foreign intervention. We want a change without the use of /psychological warfare in which the dollar is scared off with paper money that is not planned in Panama/ [passage with slantlines: la guerra sicologica en donde se asusta el dolar con papeles de moneda no programados en Panama]. [applause]

We want a change in which the economy will truly correspond to the right of the investor. We want a change in which the FDP will defend that investment. We want a change in which these men know that they are the guardians of foreign investments. We want a change in which the economy will not be subject to little psychological games like distributing papers or using false seals.... [interrupted by man in crowd: "Without any little handkerchiefs either." Crowd laughs and applauds] false seals that confuse the national economy, mentioning paper money when the only man who ever printed paper currency in this country was Arnulfo Arias, gentlemen. [applause]

We want a change where all or nothing will stop being the privilege of groups or of status; a change where the civilians will know that the military respect them in order to carry out coordinated functions that the fatherland demands from us. We want a change where the civilians will be in charge of all the strata, of all the establishment, the organization of the Republic, and they will respond to the Panamanian people and their responsibilities. [applause]

We want a change in which these men, these soldiers, and this commander can come to Cimarron to exercise. [crowd chanting indistinct slogans, followed by laughter]

I want to speak now about our institution, our alma mater, which received us with affection and strictness when we returned full of hopes from the military academies, the professional universities, the colleges, the institutes, and the centers of high military studies of Latin America. I want to speak about those who made their careers by going up through the ranks and proudly competed with those who graduated from the academies and became our teachers.

Within the developing professional organization that the General Staff set out to establish when we assumed command in 1983, we drafted a document that is the basic program for the professionalism and the security factors that guarantee the existence of the institution and the constitutional governments. It can be said that the Armed Forces were born with the Republic and will die with it.

This plan is the development of the Defense Forces, and in our evaluation, we have complied with everything concerning the Air Forces, and we made great progress in the development of the Navy. We are very proud of the privates, the recruits of humble origins, who visited South America to receive training as marines. [paragraph continues]

We are proud, very proud of them. We congratulate these men. We congratulate the G-5 men, the men of military engineering, and the civic action section men who have gone beyond their duty. We are even prouder to know that our plans for the executive and operational development of the civic action section were used as an example by U.S. General Gorman in other countries. General Galvin praised them and called them a realization of peaceful coexistence.

Regarding the civic action program, we are also proud of it as a Panamanian experience. We tell our Latin American comrades-in-arms that the civic action program is preventive. It is the identification of the uniformed man with the people who have needs. It is the rifle transformed into shovels and picks in the peasant's hands. The civic action program is an open office in the garrisons in the discussion of and search for solutions. The civic action program is a child who looks up at men as an example for doing good. The civic action program is sports. It is popular art. It is the message of writers who suffered the persecution of being misunderstood in their concepts and literary metaphors, without the right to print a book and risking the loss of the book if published because it goes against the narcissism of those who have never written a book. [sentence as heard]

We are pleased and proud of the ground forces. We have been able to develop the universal concept of the soldier. The versatile man who joins his [Defense] Forces seeking a profession, remains as a member, and becomes a professional soldier who is not subject to conscription. This is why we are different. These are the soldiers who can use a police club as well as a rocket launcher; who can handle an axe and a machete. These are the soldiers of the ground forces. This is our difference. This is our man, whom we salute today, and to whom we render our true homage. Therefore, today, implementing the 1984 5-year plan, we have ordered the Chief of the 2d Military Zone to create the Gen Pedro Prestan Battalion, in the Atlantic zone, [applause] [Noriega interrupted by crowd shouting slogans] we have ordered the creation of the Gen Pedro Prestan Battalion in the Atlantic zone, which from now on is a reality to protect and develop the political coastal borders of the Atlantic and Caribbean areas.

We are also paying homage and doing justice to the honor of Gen Prestan because of his unjust execution by foreign forces. [applause]

We are proud of the Military Health Battalion, which performs its strictly professional medical and sanitary duties with the ability to face any contingency that could occur during any type of disaster. We are proud of you. [applause]

The Command School, with their initiatives. [as heard] We congratulate Captain Solis, who represented an elite force. We also congratulate Lieutenant Diaz De Leon, from the antiterrorism force. They fulfilled their mission at Mr [Roberto] Diaz' house, under order of the Attorney General, without sacrificing any human lives or causing any damage to the residence. I want to openly state I have received a letter asking for clemency and pardon expressing [Diaz Herrera's] repentance. I will convey the letter to the president of the Republic, the Attorney General, and the High Command, so they can make a decision concerning the clemency that he requested after he repented. [applause] Moreover, within the outlines of the aforementined 5-year plan, and according to our regulations on personnel adjustments, on 16 December -- that is, on 16 December we will announce the restructuring of all commands, particularly the deputy command of the general staff, which will be in charge of drafting and presenting plans and objectives for the new 5-year period that begins in 1989. Therefore, today I salute the disciplined, orderly and professionally trained new members of the High Command, who are at the forefront of sovereignty and dignity. [applause]

We will reorganize the deputy commands of the different forces and create a joint command. The men, who we will begin to train next week to become the future teachers of the future troops, will be represented there. The FDP supports, has respected, and respects economic autonomy in its various forms; such as the creation of jobs and sources of wealth. It also demands the same respect from those who are not aware of geopolitical strategy, the handling of weapons, military history, the state of the troops, their regulations, and great accomplishments, misery, and the new low-intensity war. [applause] We are making this historical statement and we reiterate our mission of helping consolidate democracy in our country.

We want to recall that the historic withdrawal announced in 1978, the constitutional reforms, and the 1980 and 1984 elections, as well as the gradual consolidation of the state branches and the return of political parties have been FDP initiatives.

That gives us authority to proclaim in this ceremony that we will maintain the country's constitutional order, that we will fight against subversion and plots, and that we support President Eric Arturo Delvalle's constitutional sequence [secuencia constitucional]. I consider myself his working companion, and therefore we support his short- and medium-term measures, which must include requests from the workers and peasants, who are demanding readjustments in their organizational development. [applause, shouts]

We recall there is a commitment with San Miguelito. We recall that there is a commitment with Colon. We recall there are poor people in those sectors. Mr President, I must be honest. There is a third force -- currently neglected and silent -- which will demand positions or situations. I have met with that force several times, and I wish to state publicly to the nation, and very respectfully to you, that those forces exist: They are the popular forces that have not yet been included [applause] that have not yet been included in the agenda of negotiations. [applause, slogans]

Also, Mr President, we know about the pressures you face. We are both aware that there is no excuse for not keeping our word. Therefore, in accordance with our Constitution and laws, our presence in the 1989 elections will be to guarantee that they take place in a peaceful, honest, and democratic way, and so that each citizen can cast his vote without fear and with the certainty the victory will be for those who receive the majority of votes. Panamanians, do not let yourselves be deceived: 1989 will be the year of national liberation or slavery. [applause] I publicly declare that in 1989 there will not be a president not elected by popular vote. [applause] In that year administrative changes in the Panama Canal Commission will begin.

Panamanian people, that is the problem. That is the problem. [repeats himself] [slogans] That is the core of calumny and slander. That is the loser's torn card.

We do not want to end this speech with the usual calls for good sense and for building a strong homeland. We do not want to end this speech with demagogic calls to men and institutions having much to lose. We want to be realistic. Today we repeat that a strong homeland and social justice requires the active participation under equal conditions of the popular movements of workers and peasants, who can define the second revolution of a new republic. It is up to you, Mr President.

You are deeply admired by the Panamanian people. Your determination and actions have given you prestige and have already made you pass into history as the man who knew how to face organized sedition. Therefore, we, the Panamanian military, respect you, more than as president, as a real man who honors and gives prestige to his family name. [applause]

You are a man who gives honor and prestige to his decisions; who gives honor and prestige to his word, because we know that you will not flee to Washington, Mr President. [applause, shouts] You are of our own ancestry, and you will continue to oversee your horses at the racetrack, and attend the races with honor -- and you will still receive the respect and consideration of your people.

Today, 12 August 1987, I speak on behalf of the Defense Forces, the replacement generation, which has been comprised so that we maintain our homeland free and sovereign, and ask that everyone advance toward 1999 with a firm step; that everyone advance with courage.

We are a country that is neither an exogenous [exogeno] nor a foreign [extrano] country. We are a country that does not have any foreign or exogenous doctrines, watchwords, or advisers. We demand fulfillment of what has been agreed upon and a respect for our free and sovereign nation, as befits victors, with democracy, with democracy, [repeats himself] with social justice, with a respect for institutions and capital -- both private and foreign -- with a respect for all the Americans who live here in this country, where nothing has even happened to them, not even in the most difficult moments. We are a civilized country, and therefore we demand to be treated as civilized people. [applause]

During the difficult situation which arose on 9 January 1964, no U.S. citizen living in Panama was lynched, no U.S. citizen living in Panama was forcibly taken out of his house. No U.S. citizen has ever been kidnapped here! This is not Lebanon! This is not South Africa! [shouts and applause]

This is why I also want to tell Ambassador Davis publicly that we respect the U.S. flag, men, and uniforms. In addition, we demand respect for our flag, men, and territory. [applause] I also want to say that no foreigner has ever been persecuted here, and we will not begin to persecute them today. Regardless of the color of their skin or their economic status, people go out into the streets and are not persecuted for their ideas, as happens in other countries, where escorts of all kinds and sizes are required. [applause]

This is the respect we want, and this is the democracy we understand, not the democracy made in the image and likeness of other states that cannot control their social violence. Panama has nothing to do with drug production, because there is no drug addicts; our youths are not drug addicts. Our lands do not produce either cocaine or poppy. Why do they want to impose conditions on a country, Panama, whose geographic position alone forces it to learn about drugs? Why do they not impose conditions on drug production and marketing? Why do they not impose on the merchants from other areas? Instead, they use slander and insults, which precede plotting.

We are aware of this. This is a way of paving the way for plotting, and we denounce this here today as Panamanians. It is similar to what they did to Omar Torrijos; what they did to Monchi Torrijos, his brother; what they did to Juan Antonio Tack, the former foreign minister; and what they did to all those leaders who stood behind a podium to demand sovereignty.

We are aware of all this. Because of this, we understand and forgive them so we can move forward. Any cessation at this time is equivalent to surrender and high treason. [applause] Because of this, Defense Forces members, who are also lowly Panamanians, who also wear civilian uniforms, we repeat with all Panamanian men and women: A single territory [cheers], a single flag [cheers], and not a single step backward, damn it! [cheers, applause]

ABADIA CALLS GENERAL STRIKE 'UNPATRIOTIC'

PA140248 Panama City Televisora Nacional in Spanish 0000 GMT 14 Aug 87

[Text] Foreign Minister Jorge Abadia Arias has described as unpatriotic the general strike called for 17 August, noting that it may further destabilize Panama's banking system.

Abadia said during a news conference that the attorney general has copies of letters written by organizers of the strike to several world leaders, including British Prime Minister Margaret Thatcher and French President Francois Mitterrand, in which they discredit the country. It worries us to see there are Panamanians who place their personal interests above those of the country. These letters harm our country, Abadia said.

The foreign minister criticized the strike, saying it was organized by people who wield economic power in our country instead of the workers. They want to demonstrate their power by using their economic instruments. This way they can further destabilize Panama's banking system, Abadia asserted.

He also said his government is prepared to negotiate with the opposition in order to find a solution, not for us or for them, but for Panama.

GOVERNMENT TO CALL FOR 50-PERCENT DEBT REDUCTION

PY131541 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1204 GMT 13 Aug 87

[Text] Buenos Aires, 13 Aug (NA) -- A reliable source reported that the Argentine Government may reformulate its foreign debt policy. President Raul Alfonsin will present an initiative at the next "Group of Eight summit" on reducing the debts by 50 percent.

The source explained that during the summit, due to be held in November in Mexico, Argentina will propose that "the interests on the debt be calculated on the basis of the rates in force when the loans were contracted." With this formula, "the total Argentine debt" -- which currently stands at some $54 billion -- "will be reduced to approximately $27 billion."

In statements to NOTICIAS ARGENTINAS, the source yesterday voiced "optimism" that other members of the "Group of Eight" would accept the proposal. The group includes Latin America's largest debtors: Mexico, Brazil, and Venezuela." [quotation marks as received] The source added that the preliminary talks the Argentine Foreign Ministry held with the other Latin American countries to sound out the predisposition of their governments "to make a joint decision" on the debt issue "had positive results." "We will strongly revitalize the demand the Cartagena Consensus posed to the creditors, stressing that the foreign debt issue must be approached from a political viewpoint," the source said.

PRIVATE CAPITAL, CNEA TO SHARE DEVELOPMENT WORK

PY131904 Buenos Aires CLARIN in Spanish 12 Aug 87 pp 26, 27

[Text] Emma Perez Ferreira, head of the National Commission for Atomic Energy (CNEA), yesterday addressed a group of businessmen called by the Argentine Construction Board. She discussed the emphasis the CNEA will place on negotiations with private contractors to continue the construction of the Atucha II atomic power plant, the Heavy Water Industrial Plant, and the encouragement the CNEA will give to private investors to participate in these joint ventures.

Regarding the CNEA's relationship with local firms in the nuclear sector, Emma Perez admitted "they were going through a difficult period and a lot of imagination and work is necessary to overcome it." She added that the CNEA "is contacting private firms to agree on future actions, within the framework of the well-known financial situation." Regarding labor problems at the Atucha II power plant during the past 10 days, Emma Perez admitted "there has been a work stoppage at the consortium COCA II, which is responsible for the civil work," and explained the difficulty stemmed from a conflict with workers and the delay in reaching a serious level of negotiation. When asked about agreements with Brazil, Emma Perez said the CNEA will meet with Brazilian experts next week to study proposed practical undertakings.

Regarding the relation the CNEA wants to have with private firms, Emma Perez said relations "should not only emcompass reasonable schedules for finishing present contracts, but should also include the growing participation of the private sector in the nuclear field." She added that "the CNEA would contribute with technological know-how while the private sector would cooperate in the productive activities." Emma Perez said the CNEA board of directors is presently discussing this topic. She added that the board is also contemplating the integration of a nuclear power plant construction firm which would involve the CNEA and private companies.

Emma Perez was asked if the scheme under consideration included joint ventures like the CONUAR [Argentine Nuclear Fuel Corporation, Inc.] scheme -- where the CNEA participation with 25 percent and the rest is in private hands. She said CONUAR was a good example of what they are looking for: In CONUAR the CNEA provides the technology while production is taken care of by the private sector."

This topic points toward a very important reorganization of the CNEA. The subject will be taken up by the next Congress of Objectives and Institutional Policy (COPI) [Congreso de Objectivos y Politica Institutional]. Delegates from the Professionals Association, the Association of Technicians, the ATE [Association of State Workers], the UPCN [National Civil Service Personnel Union], the Atomic Energy Labor Union and authorities from the CNEA will participate in the event. The meeting will discuss a long list of items, including the structural organization, specific policies for investments, development and engineering, productive areas, human resources, and security. According to the document convening the meeting, this is the proper forum to discuss an eventual increased participation of the private capital in the nuclear sector.

SPAIN TO MANUFACTURE BOMBS FOR AIR FORCE

PY130140 Buenos Aires TELAM in Spanish 1544 GMT 12 Aug 87

[Text] Madrid, 12 Aug (TELAM-ANSA) -- It has been announced here that Spain and Argentina will soon create a joint enterprise called SITEA (Aeronautics Technological Systems) (Sistemas Technologicos Aeronauticos) to manufacture bombs for the Air Force. The new enterprise will have initial capital of $10 million.

SITEA's capital will be divided in the following manner: the Argentine Defense Ministry will put up 49 percent, the Spanish enterprise Explosivos Alaveses (Branch of the Explosivos Rio Tinto ERT) will contribute 45 percent, and the Joint Spanish-Argentine Enterprise will provide the remaining 6 percent. The Spanish Government will finance 42 percent of the joint enterprise's contribution.

The source reported that last month Spain approved this project, while the Argentine Government only approved it recently. This approval will facilitate the immediate establishment of SITEA. He added that Explosivos Alaveses' main contribution will be the technology to manufacture the bombs. He said in addition to its share of the enterprise's profits, the Spanish enterprise will receive a commission on overall sales.

BRIEFS

COCAINE SEIZED IN SALTA -- Official sources today reported that the Salta federal police have seized 7 kg of cocaine hydrochloride in Salta. The cocaine has been sent from Santa Cruz de la Sierra in Bolivia and was scheduled to go to Buenos Aires en route to the United States. [Text] [Buenos Aires Domestic Service in Spanish 1600 GMT 7 Aug 87 PY]

DEBT NEGOTIATIONS TO RESUME WITH BRAZIL, ARGENTINA

PY130225 La Paz La Red Panamericana in Spanish 0000 GMT 13 Aug 87

[Text] Bolivian Central Bank sources have reported that the delegation in charge of renegotiating the bilateral debt with Argentina is already in Buenos Aires.

Jaime Delgadillo, executive secretary of the National Foreign Debt Council, and Carlos Capriles will begin negotiations independent from the negotiations for the sale of gas. It has also been announced that negotiations with Brazil will resume on 17 August. It has been reported that Central Bank President Javier Nogales will travel to Brazil this weekend.

According to reports, they will negotiate $73 million of a total debt of approximately $232 million.

NAVY OFFICER PUNISHED FOR 'REVOLUTIONARY LEANINGS'

PY131925 Madrid EFE in Spanish 0433 GMT 13 Aug 87

[Text] La Paz, 12 Aug (EFE) -- A Bolivian military court today sentenced Lieutenant Commander Jaime Paredes Sempertegui, retired, to 6 months imprisonment, charging him with "revolutionary leanings" and "slandering his superior officers."

Paredes had reported that Rear Admiral Jose Antonio Ona Costas, former Navy commander in chief was involved in the mismanagement of funds and improper administrative procedures. The court investigation into these charges was annulled last week.

Paredes Sampertegui today said he will obey the court's decision in a disciplined manner and claimed to be a "moral revolutionary." Paredes added that since his childhood he has been an admirer of "Commander Che Guevara," U.S. General George Patton, and several Bolivian military commanders and heroes such as former Presidents Alfredo Ovando and Juan Jose Torres.

Jaime Paredes also said that as a teacher of military history he has been able to plant the seeds of the "moral revolution" in his students. He said that after serving his sentence he will put himself at the service of the "people's orders."

The military court recently annulled the cases against Rear Adm Ona Costas and people allegedly responsible for the theft of Che Guevara's field diary.

BRIEFS

COCAINE LABORATORIES DISCOVERED -- The National Directorate for Controlling Dangerous Substances [DNCSP] has reported that UMOPAR (Mobile Units for Rural Areas) forces have discovered 18 cocaine-processing laboratories in Chapare, where a 14-year-old boy shot at the soldiers as they entered the area. Rogelio Lucio Mendez Montano, Maria Esther Escobar, and Juan Carlos Hurtado Vaca, who possessed 19 kg of cocaine, were arrested in Chapare. In Cochabama, DNCSP forces and prosecutor Dr Rufo Ledesma raided a house on Camiri Street, seizing nearly 1.3 kg of cocaine and arresting Sinda Morales de Medina. [Excerpts] [La Paz PRESENCIA in Spanish 5 Jul 87 p 9 PY]

PT LEADER WANTS SOCIALIST BLOC SUPPORT ON DEBT

PY120349 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Aug 87 p A6

[Text] Campinas — Luiz Inacio da Silva, a federal deputy and leader of the PT [Workers Party], said here yesterday that Brazil must strengthen its ties with the Socialist Bloc in order to face up to the United States on the foreign debt issue. Da Silva, who is also known as Lula, made this remark at a rally in support of calling early elections in 1988 which was staged at Largo do Rosario square (in the downtown area of Campinas). According to the organizers, nearly 4,000 people attended the rally; according to the military police, there were only 1,500 people there.

The PT leader said Brazil "cannot have just one partner. It needs the support of the Socialist Bloc to renegotiate its foreign debt." Lula; Jair Meneguelli, national president of Sole Central Organization of Workers (CUT); and Adhemar de Barros Filho, a federal deputy for the PDT [Democratic Worker's Party] were the keynote speakers at the rally organized by the CUT, PDT, the PCB [Brazilian Communist Party], and the PcDoB [Communist Party of Brazil]. Deputy De Barros was booed by the people and was unable to speak despite the appeals by the announcer, Ary Costa, who asked the people to support unity and to boo President Jose Sarney.

Meneguelli repeated that the 20 August strike will be more successful than the one called on 12 December last year.

POSSIBLE JOINT DEBT NEGOTIATIONS WITH ARGENTINA

PY111520 Madrid EFE in Spanish 1711 GMT 10 Aug 87

[Text] Rio de Janeiro, 10 Aug (EFE) — In its last issue, the weekly RELATORIO RESERVADO stated that Brazil and Argentina are studying the possibility of conducting a joint renegotiation of their debts with the private banks.

Quoting Roberto Frenkell, adviser to the Argentine economy minister and one of the creators of the Austral Plan, the weekly stated that in September, Brazil and Argentina will present a joint proposal at the IMF and World Bank meeting in Washington. The report points out that the Brazilian and Argentine financial authorities are studying a strategy to strengthen their negotiating position.

According to RELATORIO RESERVADO, Frenkell said the idea is to restart a broader discussion on the refinancing of the foreign debt. Frenkell added that two of the biggest creditor banks — the Citibank and the Chase Manhattan Bank — have already included in their budgets the necessary measures to possibly reduce by 25 percent the reimbursements which will be made by the debtor countries.

According to the weekly, the U.S. Government may create an agency to absorb part of the losses of the U.S. banks, which may be caused by the non-payment of credits granted to the developing countries. This agency would convert the credits into shares of the banks in the debtor countries. The creation of this agency and its operation would be a concrete step toward the fulfillment of President Ronald Reagan's announcement to Latin American ambassadors at the White House on 3 August.

The goal of this agency would be to promote an extensive program for transferring the state-run organizations to the private sector in the Latin American, African, and Asian debtor countries.

RELATORIO RESERVADO points out that this new system would integrate the debtor countries in a new state of international capitalism that would replace financing with capital investment. According to the studies performed by U.S. organizations, the foreign debt is heavily burdening the debtor countries, where domestic capital accounts for only a small portion of the GDP.

CMN ADOPTS MEASURES TO CURTAIL MONEY SUPPLY

PY140321 Brasilia Domestic Service in Portuguese 2200 GMT 13 Aug 87

[Excerpt] The most important measure adopted by the National Monetary Council [CMN] today was to increase, by an average of 15 percent of demand deposits, the reserve requirement that banks must deposit in the Central Bank. The purpose of this measure is to reduce the economy's money supply to reduce the risk of higher inflation. One of the consequences of this measure will be to increase interest rates for borrowers.

Finance Minister Bresser Pereira, however, explained that the increase in interest rates on borrowed money will be small, and the measure raising the reserve requirement was necessary to curtail the economy's money supply, which was increasing too fast. He also approved the employers' decision to move up the date for paying retail sector workers the percentages of readjustments above the 20 percent escalator clause. Minister Bresser Pereira said this means employers can afford to do this. He pointed out that the cost of these readjustments cannot be passed on as higher prices.

Another decision by the CMN was to set at 7 percent the earnings on deposits by financial agents of the Housing Financing System in the Central Bank. This measure should prevent the withdrawal of about 70 billion cruzados which was to have entered the market, an influx that would have generated inflationary pressure. The CMN also approved agriculture measures, the first of which brought the Meridional Bank and the Roraima Bank into the National Rural Credit System. Another measure was related to higher farm prices. Minimum prices for the 1987-88 harvest season were increased by an average of 218 percent for food products and 206 percent for export products. From September 1987 to July 1988, these prices will be readjusted by the value of the OTN [National Treasury Notes].

To stimulate stockpiling by the private sector, the government will reduce the price it pays for surpluses not sold to the private sector by 10 percent in February, 8 percent in March, 6 percent in April, and so forth until July. Prices paid to small producers, however, will not be reduced. [passage omitted]

MINIMUM WAGE INCREASED TO 2,200 CRUZADOS

PY081326 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Aug 87 p 1

[Text] President Sarney today announced the readjustment of the minimum wage to 2,220 cruzados, and a bonus of 250 cruzados for those who earn less than 10,000 cruzados. From now on, the minimum wage will be called National Basic Salary [Piso Salarial National]. It will have periodic real increases, but will no longer serve as the basis for the readjustment of other salaries. The National Basic Salary and the bonuses will become effective in August.

President Sarney promised Luis Antonio Medeiros, president of the Sao Paulo Metalworkers Union, that he will study all the workers demands. Medeiros asked Sarney for more opportunities to negotiate with the government.

SARNEY ANNOUNCES RECORD TRADE SURPLUS IN JULY

PY090226 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Aug 87 p 1

[Text] The Brazilian trade balance had a record surplus in July: $1,417 million (the difference between $2,842 million in exports -- which was also a record figure -- and $1,425 million spent on imports). The announcement was made yesterday by President Jose Sarney, who cited preliminary data. Cacex [Foreign Trade Department] Director Namir Salek said the final figures will be released on 10 August. Based on the preliminary date for July, Salek estimates the Brazilian surplus this year will exceed $8.5 billion. He estimates the August surplus will be over $1 billion as well. According to Cacex, the following were the leading export items: soybeans, transportation material, cocoa, and orange juice.

INCIDENTS REPORTED DURING RIO POLICE PROTEST

PY120142 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 11 Aug 87

[Text] Rio de Janeiro policemen took to the streets today to protest because they did not receive a larger salary increase. The demonstration was staged in front of the Civilian Police Secretariat Building in downtown Rio. The policemen closed off two streets. They wanted the same salary increases granted to police chiefs -- 75 to 113 percent.

The policemen reportedly received an increase of between 32 and 53 percent, depending on rank. Some incidents took place during the demonstration. One of the demonstrators pulled a gun on a beggar. His colleagues reacted by seizing the weapon from him and trying to prevent reporters from covering the incident. Policemen and reporters engaged in pushing and scuffling incidents.

Late in the afternoon Civilian Police Secretary Marcos Goes decided to forward to the Planning Secretariat a proposal for an equal raise of 40 percent for all ranks. Goes added that he will order an investigation of the incidents during the demonstrations.

AD'S CERDA ON TALKS WITH U.S. CONGRESSMEN

PY122330 Santiago Radio Chilena Network in Spanish 1700 GMT 12 Aug 87

[Text] The Democratic Alliance [AD] today reiterated its rejection of the plebiscite and the nomination of a candidate by the Government Junta. This statement was made after a working breakfast AD members had with the U.S. Republican congressmen who are visiting our country.

At the end of the meeting at the Sheraton Hotel, AD Executive Secretary Eduardo Cerda said he had stressed the need to amend the 1980 Constitution to have free and open elections for president and members of Congress.

[Begin Cerda recording] We said that in Chile we are seeking a peaceful and orderly path for the return to democracy, respect for human rights, and an end to exile. We also insisted that the path chosen by the government, that of a plebiscite without any type of constitutional reform, is not the solution to Chile's problems, because at best, whoever is elected will be under the thumb of General Pinochet, who will remain as commander in chief of the Armed Forces. [end recording]

U.S. Congressmen Robert Lagomarsino, Jerry Lewis, James Sensenbrenner, and George Wortly asked the AD members about the position they would adopt if the government holds the plebiscite, and Cerda said:

[Begin recording] We told them if it is not possible to achieve a constitutional reform, the AD will participate in the plebiscite to defeat the government because at least 6 million Chileans have registered to vote; it is impossible for Pinochet to win under such circumstances. The vast majority of Chileans has registered to vote, thus he has already been defeated. They inquired what would happen if the Government Junta chose someone besides Pinochet and we told them any such person would also be defeated. They asked what would happen if names of persons acceptable to the opposition were proposed. We reiterated our position that such a solution would be impossible without changing the Constitution because no one wants to be the puppet of a system which would deceive the people and which, in our opinion, would mean bread today and hunger tomorrow. [end recording]

Asked whether the possibility of implementing economic sanctions against Chile had been brought up during the meeting, Cerda said the topic had not been brought up, and he stressed his rejection of foreign interference.

[Begin recording] No, they said absolutely nothing, and in this type of exchange we would not have allowed discussion of such matters. They should look after their own problems. I told them Chileans must seek solutions to Chile's problems, but we are thankful for the international concern about Chile's return to democracy and respect for human rights. [end recording]

The U.S. congressmen later met with the Christian Democratic Party's executive board, which is head by Patricio Alwyn.

OLYMPIC COMMITTEE HEAD ON U.S. VISA DENIALS

PY130350 Santiago Domestic Service in Spanish 2300 GMT 12 Aug 87

[Excerpts] Chilean Olympic Committee President Juan Carlos Esguep, who visited Indianapolis to view Chile's participation in the pan-American games, returned to Chile today.

Upon his arrival, Esguep was asked about the refusal of the U.S. State Department to allow Francisco Zuniga to participate in the pan-American games. The journalists also asked Esguep why the Chilean delegation was not withdrawn as had been previously announced. [passage omitted]

The Chilean Foreign Ministry rejected the accusations by the U.S. State Department when it denied a visa to the Chilean athlete. The pan-American games organization is also concerned about this situation because the U.S. attitude does not conform to practices governing international sporting events or to guarantees that a host country should give to participants. [passage omitted]

The Foreign Ministry said the U.S. State Department obviously has a right to grant or deny a visa, but any right to make such a serious accusation without specifying it and without a supporting court order, must be strongly rejected.

[Begin recording, in progress] [Esguep] -- obviously is a violation of the Olympic games regulations, of the pan-American games regulations, by the U.S. State Department. We strongly denounced this violation. Not only has this violation been denounced but the denunciation was unanimously supported by the participants. The attitude of the U.S. State Department is obviously being condemned.

[Reporter] Did the U.S. State Department play the role of judge?

[Esquep] [Words indistinct] sentenced without even respecting the Chilean courts, which are the only ones entitled to punish Chileans in our fatherland. This is a case of whether or not certain attitudes are criminal. Further action would constitute intervention, which is absolutely out of place. In no way can we believe this country will surrender itself as a true colony, as some people intend. We will simply act like a sovereign nation. [end recording]

Although there still is no reciprocity between the United States and Chile concerning the visa requirement, Chile has never required visas from U.S. citizens. Nevertheless, Chileans, like all Latin Americans, are subjected to paperwork that is becoming increasingly stringent, reaching limits that are not in keeping with the treatment a visitor should enjoy.

In view of the cases involving Attorney Pablo Rodriguez and sportsman Francisco Zuniga, whose visas were denied, government circles are commenting that the current general situation involving visas and reciprocities should be studied.

GENDARMERIE OFFICIAL ON TERRORISTS' ESCAPE

PY140212 Santiago Radio Chilena Network in Spanish 2300 GMT 13 Aug 87

[Excerpt] Search operations are now under way throughout the 5th region to recapture the four extremists who, under unclear circumstances, escaped early this morning from the Valparaiso Penitentiary.

Gendarmerie director Hernan Novoa said the escape occurred early this morning near the old guard post, which is being refurnished.

[Begin Novoa recording] The escape of these four inmates, whose names I will give you later, occurred early this morning while they were being confined. They presumably escaped through the old guard post using a ladder which they made.

The inmates who escaped are Sergio Bushman Silva, who was involved in the arms cache case; Marcial Soto Moraga Contreras, involved in the case involving the attempt on the president's life; Luis Ricardo Munoz Ugarte, who has been indicted by the Valparaiso judge advocate for violating the arms control law; and Gabriel Andreas Espinoza Silva, who has also been indicted by the Valparaiso judge advocate and was involved in an attack on a Carabineros van in 1984 in which a person was killed.

Proceedings are under way. It has been determined that the inmates used materials from their own cells to make a ladder. [end recording] [passage omitted]

JUDGE HEARING TORTURE CASE REPORTS DEATH THREATS

PY132303 Madrid EFE in Spanish 1443 GMT 13 Aug 87

[Text] Santiago, 13 Aug (EFE) -- A Chilean judge, who is investigating 37 cases of torture involving the National Intelligence Center (CNI), the political police, has reported receiving repeated death threats. Judge Rene Garcia, who heads Santiago's 20th criminal court, told Supreme Court President Rafael Retaamal about the threats he has been receiving over the past few days.

Judge Garcia said the threats began this week. An anonymous woman telephone caller repeated: "We will kill you even if you are guarded." It seems strange that the unidentified individuals who threatened him knew beforehand that Judge Garcia had asked for police protection.

The telephone calls increased Wednesday, when the unidentified individuals even spoke with personnel from the 20th criminal court, threatening to kill the judge. Reporting on the threats, Judge Garcia, who has commented to opposition magazines on some of the 37 cases of torture he is investigating, said: "As a judge, I feel absolutely committeed to administering justice, and I will continue to proceed with every case I am handling."

NEWSPAPERS INDICTED FOR PUBLISHING PCCH DECLARATION

PY130222 Santiago Domestic Service in Spanish 2300 GMT 12 Aug 87

[Text] Judge Jorge Varela Videla has indicted the directors of APSI, LA EPOCA, ANALISIS, and FORTIN MAPOCHO for publishing a declaration of the proscribed Communist Party of Chile [PCCh].

The pretrial inquest ordered by the Santiago Appellate Court judge began on 21 July 1987 when the Interior Ministry filed charges against the publications. The Interior Ministry charges sought to punish alleged violations of Article 3, Law No 18,015 on the publication of articles of a subversive nature.

It is expected that the directors of the indicted publications, Emilio Filippi, Ismael Llona, Marcelo Contreras, and Juan Pablo Cardenas, will be notified early tomorrow morning. The Interior Ministry has already been notified of the indictments.

Publications Will Appeal

PY132207 Santiago Radio Chilena Network in Spanish 1700 GMT 13 Aug 87

[Excerpts] The directors of APSI, LA EPOCA, ANALISIS, and FORTIN MAPOCHO, who were indicted yesterday by Judge Jorge Varela, will appeal the indictment. [passage omitted]

Regarding [FORTIN MAPOCHO Deputy Director] Ismael Llona's case, FORTIN MAPOCHO Director Felipe Pozo said it not only affects the news media but also casts doubts about the possibility of achieving true freedom of expression.

[Begin Pozo recording] The fact that certain news media -- not all the news media report on certain social or political sectors in this country -- have been indicted and threatened with terribly high fines for publishing information or opinions casts doubts on whether the Chilean people can be thoroughly informed on what the different social sectors of the country believe, do, or advocate regarding the country's situation. These events prove that freedom of expression is at stake. This problem involves the entire Chilean society and not just the four publications that have not been indicted. [end recording] [passage omitted]

APSI director Marcelo Contreras made the following comment on the pretrial inquest ordered by Judge Varela:

[Begin recording] I think this lower court ruling is regrettable. I believe that through this ruling Judge Varela has accepted the government's deceptive allegation that a crime has been committed here. We view this as a serious threat to freedom of expression, not as a punishment to the magazine. This ruling classifies the publication of a Communist Party declaration as a crime of opinion in Chile at a time when broad and open debate is required in the country on future options, a debate in which the Communist Party's opinion and the opinions of other Chilean parties are important. [end recording]

Contreras said that by appealing the ruling, the right of the press to thoroughly and faithfully report on the national events will be championed.

GOVERNMENT ALLOWS 21 MORE EXILES TO RETURN

PY120300 Madrid EFE in Spanish 0129 GMT 12 Aug 87

[Text] Santiago, 11 Aug (EFE) -- The Pinochet government has lifted the ban that prevented 21 Chilean exiles from returning to the country. Those allowed to return include the writer Ariel Dorfman and two former ministers during the late president Salvador Allende's administration. Interior Minister Sergio Fernandez made this announcement to the local press tonight at La Moneda Palace. Also on the list are former mines minister Orlando Cantuarias, who is currently visiting the country on a 30-day permit, and former justice minister Jorge Tapia, who lives in exile in the Netherlands.

Former Socialist congresswoman Carmen Lazo, currently living in Venezuela, and former radical deputy Carlos Morales Abarzua, who lives in Mexico, are also on the list.

M-19 'FULLY' SUPPORTS GUATEMALAN SUMMIT RESULTS

PA080150 Paris AFP in Spanish 0120 GMT 8 Aug 87

[Text] San Jose, 7 Aug (AFP) -- The Colombian guerrilla organization M-19 has "fully and totally" supported the Central American peace agreement signed today in Guatemala by the five presidents in the region.

The M-19 issued a communique in San Jose stating that "such agreements become a hope for the Latin American people in the measure that they represent an authentic rescue of the nation's right to sovereignty and self-determination, and a courageous warning to foreign forces to stop their intervention."

The Colombian guerrilla organization's declaration is signed by Everth Bustamante, secretary of international relations. It notes that the peace agreement "represents a significant step forward to achieve peace in Central America."

The document also states that the M-19 is willing "to follow this example" and immediately propose negotiations with Colombian President Virgilio Barco.

FARC DESERTERS DESCRIBE CUBAN TRAINERS, DRUGS

PA061628 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 3 Aug 87

[Excerpts] Villavicencio -- FARC has Cuban instructors on each and every one of its fronts and has real fire power in the southeastern region of the country where drug trafficking and gun running are king. This statement was made by eight guerrillas, including two commanders, of the subversive group who deserted and surrendered to military and police authorities in Meta Department.

The deserters, whose ages range between 19 and 35, presented themselves at Vargas Infantry Battalion No 21 Granada, Meta, where they gave detailed revelations of FARC activities in the Agriari region and the municipalities of Guaviare, (Itzaba), and (Baucal).

According to the guerrillas, who today are at the General (Servien) Battalion of Villavicencio in the (Cururo) region, FARC has a sophisticated airbase with anti-aircraft equipment and plenty of modern Soviet-made weapons. The guerrillas also reported on recruitment and training complexes that used Cuban instructors, one of whom was identified as (Fernando Odorganista), who works at the 27th Front, which operates out of (Matamambu) in the Ariari region. The deserters, who are being protected by the Villavicencio authorities, are being called Pedro, Pinalito, Peluza, Casanar, Crespo, Pitufo, and Rene. They reported that at the place known as (Vuelta del Alivio) in Guaviare municipality, there is a great international drug trafficking and gunrunning center originating from Brazil that enters the country through Yavarete in (Baupere) municipality. [passage omitted]

The guerrillas also said that the FARC General Staff decided to transfer the Casaverde, garrison at La Uribe in Meta Department to the place known as La Libertad in Guaviare.

POLITICIANS ARRESTED, HELD INCOMMUNICADO

PY131440 Asuncion Radio Caritas in Spanish 1230 GMT 13 Aug 87

[Text] The Febrerista Revolutionary Party [PRF] this morning will file a habeas corpus petition on behalf of those people being held incommunicado by the Asuncion police. The detainees are: Acting PRF Vice President Oscar Acuna Torres, PRF Secretary General Luis Candia Gini, PRF Youth National Secretary Anibal Carrillo Iramain, PRF Youth Assistant Secretary Rodrigo Zelada, Diana Banuelos, Victor Dure, EL PUEBLO weekly Director Cesar Baez Samaniego, and EL PUEBLO Administrative Secretary Rita Alvarez. Christian Democratic Party leader Alfonso Resck and Authentic Radical Liberal Party leader Felino Amarilla were also arrested this morning.

Police Break Up March

PY131627 Asuncion Radio Caritas in Spanish 1530 GMT 13 Aug 87

[Report from mobile unit by reporter Oscar Acosta]

[Text] The fourth demonstration organized by the Civic Assembly today resulted in a few speeches and a 300-meter march. Participating in the demonstration were about 100 members of youth factions of the Febrerista Revolutionary Party [PRF]; the Popular Democratic Movement [MDP]; the Popular Mobilization for a Change [Mobilizacion Popular Para el Cambio], a faction of the Authentic Radical Liberal Party [PLRA]; the ethic faction of the Colorado Party; and the Colorado Popular Movement [MOPOCO]. Carlos Romero Pereira and Miguel Abdon Saguier [Colorado ethic faction and PLRA leaders respectively] were also seen in the demonstration.

The demonstration began at the intersection of Eusebio Ayala Avenue and Calle Ultima Street, and then proceeded downtown. The column was able to march 300 meters at which point a group of policemen broke up the march. According to official reports, no arrests have been made thus far. Miguel Abdon Saguier delivered a short speech from the pedestrian bridge over the avenue. [Saguier's recorded speech indistinct] After Saguier's short statement, the crowd organized another group 100 meters away to begin the march. Traffic is currently normal and passers-by are commenting about what happened earlier.

FOREIGN MILITARY DELEGATIONS TO ATTEND PARADE

PY122024 Asuncion HOY in Spanish 12 Aug 87 p 6

[Excerpt] Military delegations from several countries will participate in ceremonies marking the 450th anniversary of Asuncion and the 33d anniversary of President General Alfredo Stroessner's administration. Peruvian Army Commander in Chief General Enrique Lopez Albujar Trint arrived yesterday. Military delegations from Argentina and Chile and South African Defense Minister General Magnus Malan and other high-ranking South African officers are scheduled to arrive tomorrow. The military delegations will attend the military parade on Saturday 15 August.

Army Gen Enrique Lopez Albujar Trint, commander in chief of the Peruvian Army, arrived yesterday as scheduled. He met with Defense Minister Major General Gaspar German Martinez and General Alejandro Fretes Davalos, the chief of staff of the Armed Forces.

APRA SUPPORTS NATIONALIZATION OF BANKS

PA122330 Lima Television Peruana in Spanish 0100 GMT 9 Aug 87

[Statement issued by the American Popular Revolutionary Party, APRA, in Lima; date not given -- recorded]

[Text] 1. The American Popular Revolutionary Party hereby ratifies its support for the measure proposed by the president of the Republic on the nationalization of the banking system.

2. APRA rejects the incorrect judicial decision through which a judge has ordered the state to lift the temporary control ordered by the government.

3. The party complied with the juridical decision, although it disagrees with it. APRA believes this is a correct tactical measure so the nationalization of the banks, which is the fundamental and revolutionary objective, will not be hindered by unimportant juridical reasoning.

4. APRA, fully aware of the dramatic experience of revolutionary governments in brother countries, believes it is necessary to confirm the revolutionary realism without forgetting the historic purposes so as not to get involved in juridical problems that would serve as a pretext to the reactionary forces to stop the historical process started by Aprism. This process will continue and, following the statements by our companero president, the right wing will not win and the banks will be for the people.

5. The APRA National Executive Committee addresses the APRA parliamentary bloc and the members of the National Congress to demand, in compliance with their responsibilities to the people, the immediate nationalization of the financial system by approving the law proposed by the companero president.

Chamber Approves Bill

PY131902 Madrid EFE in Spanish 1535 GMT 13 Aug 87

[Text] Lima, 13 Aug (EFE) -- The Peruvian Chamber of Deputies today approved a bill for the nationalization of the private banks, insurance and savings and loans companies.

The bill has been passed to the Senate for its approval. During the debate in the Chamber of Deputies, the opposition criticized the fact that the bill does not include the foreign banks.

The text of the draft bill approved in the Chamber of Deputies is made up of 22 Articles and replaces the original draft bill sent by the Executive Branch. It was approved by the Chamber of Deputies without modifications.

Two opposition parties said the draft bill is unconstitutional: The Popular Christian Party, and the Popular Action Party, of conservative and center-right leanings respectively.

The congressmen of these parties firmly opposed the nationalization draft bill because they said it undermined respect for free economic enterprise and private property.

The draft bill approved by the Chamber of Deputies states that financial activities are of "national interest, thus they must be controlled by the government."

The draft bill authorizes the operation of multinational banks, as well as branches and offices of foreign banks established in Peru.

"All permits authorizing the installation of national banks, savings and loan associations, and insurance companies, will be withdrawn" from the moment the bill is approved.

The draft bill also says the "expropriation of company shares is of social interest."

The bill adds that shares will be considered as transferred "at the moment the fair price is paid. This will be determined by the law."

The bill also establishes that one member of every board of directors of each bank, savings and loan association, or insurance company must now be a representative of the workers.

The state will offer a maximum of 15 percent of the shares of the nationalized firms to small shareholders. In the case of regional banks and saving and loan associations, the offer will be 25 percent.

The shares of firms, included among the assets of the organization being nationalized, may also be offered to the public.

The Executive Branch, together with the National Bank, will decide on adequate compensation.

GOVERNMENT PROTESTS COLOMBIAN SHIP 'PROVOCATION'

PA140016 Paris AFP in Spanish 2320 GMT 12 Aug 87

[Text] Caracas, 13 Aug (AFP) -- The Venezuelan Government today termed the crossing of the Colombian corvette Caldas, into Venezuelan territorial waters a provocation. It sent a formal protest to the Colombian Government headed by Virgilio Barco.

After a 3-hour meeting at Miraflores Palace held by Venezuelan President Jaime Lusinchi; Navy Commander Vice Admiral Faustino Alvarado; German Rodriguez, chief of the Directorate of General Military Intelligence, DIM; and Foreign Minister Simon Consalvi, the president ordered the Military High Command to remain alert on the border with Colombia.

It was officially reported that the incident staged by the Caldas corvette since last Sunday in Venezuelan territorial waters "would appear to be the product of a provocation and not an error or innocent crossing...because the Venezuelan Navy warned the Caldas to leave the gulf, and it did not do so until today."

President Lusinchi instructed Luis La Corte, Venezuelan ambassador in Bogota, to express the Venezuelan Government's concern to the Colombian Government and to request an explanation of the incident.

Meanwhile, the Foreign Ministry will deliver a formal protest note to the Colombian ambassador in Venezuela.

The presidential source added that the Venezuelan Government "has been observing a certain attitude in Colombia through direct or indirect statements by President Barco and Foreign Minister Julio Londono, as well as recent publications by the newspapers EL TIEMPO and EL ESPECTADOR, which are reportedly part of a political strategy directed at diverting Colombian public attention and distorting relations with Venezuela.

"Such procedures," the presidential spokesman concluded, "are not in keeping with the renowned Venezuelan good will toward the fraternal Colombian country, its people, and its institutions."

Analyzes Intrusion

PA140045 Caracas Television Service in Spanish 0000 GMT 14 Aug 87

[Text] The national government has analyzed the incident created by the incursion of the Colombian corvette Caldas in Venezuela's jurisdictional waters without the proper authorization. The important meeting was attended by members of the Military High Command, Foreign Minister Simon Alberto Consalvi, and Minister of the Presidency Carmelo Lauria. A press note was issued after the meeting ended; the note says:

The incident caused by the intruding Colombian craft has worried the national government because, according to the characteristics of its presence in the Gulf of Venezuela, it seems to be some sort of provocation and not a mistake or innocent action. The president of the Republic has ordered the Military High Command to remain alert and in constant contact with patrols to evaluate and follow the developments with calm firmness.

The Venezuelan Navy's patrol boat Libertad, warned the Colombian boat to leave the area, and the Navy has strengthened its presence in the area and has perfect control of Venezuelan maritime territorial areas.

The national government has no interest in overreacting to the situation, and its instructions recommend calmness and friendly caution.

The press note issued by Miraflores Palace adds:

Likewise, President Jaime Lusinchi has instructed Venezuela's ambassador in Bogota, Dr Luis Lacorte, to state his concern to President Virgilio Barco and request an explanation. Lacorte was received by Barco last night at Narino Palace, site of the Colombian presidency of the Republic. Foreign Minister Simon Alberto Consalvi will deliver a protest note tomorrow to the Colombian ambassador to our country.

Even though there was no declaration about the meeting, its nature, or the decisions adopted, statements of concern have been issued by top-level political sectors in the country concerning movements, direct or indirect statements by President Barco and Minister Londono, and publications issued by the newspapers EL TIEMPO and EL ESPECTADOR in Bogota which could be part of a political plan to divert the Colombian people's attention by distorting relations with Venezuela. Such actions do not correspond with the well-known Venezuelan good will toward the fraternal country of Colombia, its people, and its institutions.

CANA REVIEWS HOYTE'S 3-YEAR ADMINISTRATION

FL121235 Bridgetown CANA in English 2303 GMT 10 Aug 87

["CANA feature" by Courtney Gibson]

[Text] Georgetown, Guyana, Aug 10, CANA — Guyana President Desmond Hoyte has just started his third year in office, with political opponents agreeing that he has scored some foreign policy and economic successes, but divided on the [as received] how significant the gains are. Hoyte, who took over when President Forbes Burnham died August 6, 1985, has been credited with a thaw in relations with the United States, improvement of the country's business environment, a reduction in the shortages of basic goods that have plagued the foreign exchange-starved republic for years.

Both foreign diplomats and political opponents say Hoyte has taken a pragmatic approach to running the 83,000 square mile state that under Burnham had maintained close ties with the socialist bloc. Eusi Kwayana, co-leader of the opposition Working People's Alliance (WPA), is unsure whether there has been an ideological shift or any remarkable change in Guyana's foreign policy. But he says: "In the area of foreign policy, what is very clear is that the United States of America has greater confidence in the Hoyte presidency than it had in the Burnham presidency after 1975."

Relations between the two countries had reached a low in 1975 with the US accusing Burnham of allowing Cuban aircraft en route to the fighting in Angola to refuel here. Marcellus Feilden Singh, leader of the conservative United Force (UF) Party, which has two seats in parliament, told CANA: "Hoyte is trying to reconcile himself with the Americans. He is talking with all the Western powers. "He has adopted a policy of true non-alignment and he is friendly with everybody — with the socialist bloc as well as with the Western countries — whereas the previous regime had been more regimented towards the Eastern bloc."

Dr Cheddi Jagan, whose Marxist-Leninist People's Progressive Party (PPP) has eight seats in parliament, complains that in response to pressure from the US Administration, Guyana "has moved towards neutrality" and is "taking a more or less centrist position" in foreign policy matters.

The shift, says Feilden Singh, goes beyond foreign policy. The words socialism and communism and even comrade, are "less used now than was the case in the Burnham days," he told CANA. Under Hoyte, he added, capitialist-oriented businessmen have also been given the chance to serve as councillors on the Georgetown City council.

The government has also come in for praise from the opposition party over its handling of American fugitive, Rabbi Edward Washington, recently jailed here for a cult killing. The controversial leader of the House of Israel, a staunch supporter of the ruling People's National Congress (PNC), had been "untouchable" under Burnham and his recent jailing is a definite sign that things have moved in the right direction under Hoyte, according to Feilden Singh.

However, Kwayana does not accept that the human rights situation has improved. "All we have had so far is the imprisonment of Rabbi Washington — not for any political crimes but for an inside-cult homicide," he said. He said that the Hoyte administration had not helped public inquires — demanded by the opposition — into the mysterious death of PNC Minister Vincent Teekah in 1979 and into the deaths of a number of other persons, including the WPA's co-leader Walter Rodney in a 1980 bomb blast and of WPA activist Oheme Koania, also in 1980.

"If the human rights situation is to improve, these political crimes should be investigated publicly and brought to light," Kwayana said, stressing that the right to life is a primary right.

Kwayana also contends that there has been no real improvement in the area of freedom of expression, although the government had allowed the launching of the privately-owned STABROEK NEWS newspaper. He said that represents nothing new, since there has never been any law to prevent anyone from publishing a newspaper and over the years the church organ CARIBBEAN CONTACT has been produced overseas and sold in Guyana as is the case with the STABROEK NEWS.

What has also not changed in Guyana, he said, is that the newspapers are forced to publish at their own risk, for libel writs are still being used to suppress freedoms of expression, even in matters where public figures are involved. He said the WPA itself still has five libel cases pending against it.

He feels that the law offers more scope for freedom of expression that the courts have been willing to permit. Both Kwayana and Dr Jagan have complained that the opposition parties got a raw deal from the government media.

Jagan said the Hoyte administration has not moved to effect any fundamental changes to raise workers morale and remove the brakes on national production through the holding of free and fair elections. Neither had it taken steps to establish a people's democratic government which would stop corruption, discrimination and extravagance and redistribute income in favour of the working people.

Jagan agrees that there has been some liberalisation of policies under Hoyte through the reintroduction of formerly banned wheat imports, the granting of permission to the opposition to import printing presses, as well as through the debating of opposition motions and the answering of opposition questions in the national assembly. But he said the changes "don't go far enough".

He contends that under the Hoyte administration a new bourgeois class is being established, comprising "those representing the traditional oligarchy who were in the United Force in the 1960's and who were squeezed out, politically, when the PNC-UF coalition broke up, and economically, when the government nationalised foreign trade, in particular."

"The liberalisation is to help them to come back politically and economically into the picture -- and of course ideologically," Dr Jagan asserted. He also contends that whatever improvements in human rights there might have been over the last two years under Hoyte resulted from "pressure" on the government. Even so, he argued, the changes were "nothing fundamental."

Feilden Singh, however, thinks some fundamental changes have occurred in Hoyte's approach to managing the economy. "I think his policy of having a private sector advisory committee and a greater role for free enterprise would have been unheard of in the old days and is also a definite shift in policy from that of the old regime," he said.

But he suggested Hoyte "proceed with greater purpose" and "denationalise industries, generally," except for those in the essential services sector such as pure water and electricity supply.

He would also like to see the government take urgent steps to secure agreements with international financial institutions including the International Monetary Fund — "even though the conditions they may impose may be considered harsh" — for obtaining foreign exchange "on the best possible terms".

He said he was particularly pleased that it is now possible for any Guyanese to go to the street corner and buy a number of hitherto restricted or banned items such as split peas and Milo (chocolate drink) and to find that the police no longer raid vendors who sell them, seize the items and sometimes trample on them.

But Jagan and Kwayana argue that economic conditions have continued to deteriorate. "Things are really in a bad state" says Kwayana, pointing to a spiralling cost of living especially after the hefty 56 per cent devaluation of the Guyana dollar in February this year.

He contends that in addition to poor pure water and electricity supply services "the whole country is in a state of disrepair and the country's infrastructure is rapidly disinvesting (for) we have not been repairing things in time."

One of Dr Jagan's major grouses with the Hoyte administration is its rejection of the PPP's view that Guyana should follow the example of Peru, the Philippines and Zambia and pay no more than 10 per cent of export earnings towards settling the country's foreign debts. He complains that because of pressure being exerted by the United States the Guyana Government, under Hoyte, is returning the country to the 1978-1981 period under Burnham, when Guyana maintained close relations and had arrangements with the IMF.

"The Hoyte administration's major shortcoming, as I see it, has been the reversal of the policy of the Burnham administration from '82 to '85 when Burnham stoutly resisted entering into any new arrangement with the IMF," Jagan said.

He said most of the conditions the IMF wants before a new loan agreement could be reached have already been fulfilled by the government. Kwayana argued that "after two years, Guyana is not better off with Hoyte."

But Feilden Singh had a different view: "It is my personal opinion and that of my party that the present president is moving in the right direction...but there has been far too much of a brain drain in this country...he needs the tools to do the job; he needs capital and the return of skilled Guyanese."

He said that in the period ahead Hoyte needs to "take a firmer and stronger hand" in dealing with the problems affecting the reliable supply of potable water and electricity, for he has been treading too softly in this area." He added: "One of the unfortunate realities in Guyana is that we need foreign exchange to generate foreign exchange. It really is a vicious circle, so that even though conditions imposed by the international financial institutions may be considered harsh...I feel the government should do its very best to secure agreement for obtaining foreign exchange on the best possible terms."

REBELS PLAN TO ATTACK PARAMARIBO IN SEPTEMBER

FL121356 Bonaire Trans World Radio in English 1130 GMT 12 Aug 87

[Text] Surinamese rebels in The Netherlands are recruiting more mercenaries to join the rebels fighting the Desi Bouterse government. A group of 50 American mercenaries are preparing to join the rebels whose forces have suffered defeats recently. Rebel sources say they plan an attack on Suriname's capital Paramaribo in early September.

BOUTERSE, 'FRONT' PARTIES AGREE TO WORK TOGETHER

PM131247 Amsterdam DE VOLKSKRANT in Dutch 11 Aug 87 p 1

[Wim Noordegraaf dispatch: "Bouterse Patches Up Row With Old Political Parties"]

[Text] Paramaribo — Army and government leader Bouterse yesterday resolved his disagreement with the three old political parties, the VHP [Progressive Reformed Party], the NPS [Suriname National Party], and the KTPI [Indonesian Peasants' Party]. After a meeting in Paramaribo between the sides involved in the conflict a communique was published stating that the National Army and the political parties must continue working together "in the national interest." In the conciliatory communique the two sides also stated that they will respect the outcome of the elections.

Earlier in the day it was announced that at the request of Bouterse the Wijdenbosch government will not resign. The Army leader "called on the government to remain in office in the national interest," and the cabinet complied unanimously.

Two extra cabinet meetings have been held under Bouterse's chairmanship to discuss the position of the Wijdenbosch government now that divisions have arisen within the Supreme Council. Prime Minister Wijdenbosch had announced that he was prepared to resign if confusion continued to prevail about the council's policy. The political parties, the trade union movement, employers, and the army are represented directly or indirectly on the council.

The divisions in the council arose after a mass election meeting of "The Front," embracing the three old political parties. At the meeting these expressed views radically different from those of the Supreme Council.

At the request of the three old political parties Bouterse yesterday held talks on the issue with party leaders Arron, Lachmon, and Soemita. It was clear from the communique from the meeting that talks will continue in the immediate future.

HENK HERRENBERG TO RETURN AS BOUTERSE AIDE

PM130821 Rotterdam NRC HANDELSBLAD in Dutch 5 Aug 87 p 3

[ANP report: "Herrenberg Again Desi Bouterse's Chef De Cabinet"]

[Text] Paramaribo/the Hague, 5 Aug — Former Surinamese Foreign Minister Henk Herrenberg was recently reappointed chef de cabinet of army leader Desi Bouterse.

In February this year Herrenberg resigned as foreign minister because he was unable to work with a number of other ministers. His resignation led to a government crisis in which Prime Minister Radhakishun, among others, resigned. Before Herrenberg accepted the post of foreign minister in March last year, he was Bouterse's chef de cabinet. He was succeeded in this influential post by diplomat Henk Heidweiler, who is also currently foreign minister.

Herrenberg is known as a man with radical views. During his period as foreign minister tension repeatedly arose in the Radhakishun government as a result of his willful behavior. There have also been major tensions between Herrenberg and Suriname's current foreign minister, Henk Heidweiler.

PWO CALLS FOR COUNCIL TO REMAIN UNCHANGED

FL122116 Paramaribo International Service in English 1730 GMT 12 Aug 87

[Text] The Progressive Workers Organization, PWO, is of the opinion that the Top Deliberating Council should remain in its original form. The trade union, which is also a partner in this council, came to the conclusion after critical analysis of the current political situation in the country on Monday last.

The PWO is further of the opinion that problems between partners in the council should be discussed within that organ to find solutions. Last week, Commanders Bouterse and Graanoogst stepped down from the Top Deliberating Council after being requested to do so by the Army following offending statements made by leaders of the old political parties. In the Leonsberg Agreement between the three political leaders and Commander Bouterse, nothing is said about the reentry of the latter as chairman in the Top Deliberating Council.

VENEZUELA TO AID IN ELECTORAL PREPARATIONS

FL122006 Paramaribo International Service in English 1730 GMT 12 Aug 87

[Text] Venezuela will give technical assistance to Suriname in preparing the upcoming elections in November. Yesterday, a five-man strong delegation from that country arrived here for orientation in relation to the preparations being made for the elections. Today the delegation will meet Foreign Minister Heidweiller, while talks will also be held with political parties, trade unions, trade and business sectors, and others.

Venezuelan President Jaime Lusinchi some months ago made a proposal to offer technical assistance during elections to government leader Bouterse, which he accepted.

Bouterse said this gesture by Venezuela is an expression of the loyalty of that country toward Suriname, and is also a demonstration of their appreciation for the democratization process here.